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## U.S. Aide To Renew Talks on Sanctions

By Philip J. Hilt  
Washington Post Service

WASHINGTON — Undersecretary of State James L. Buckley will go to Europe this week for talks about new sanctions against the Soviet Union, Secretary of State Alexander M. Haig Jr. said Sunday.

A State Department official said that the trip was intended to develop a common allied position on what new sanctions could be taken — particularly in cutting off future economic credits to the Soviet Union — and to help end the debate that has grown out of meetings of the North Atlantic Council.

Mr. Haig warned Sunday that unilateral action by the United States would be self-defeating and said that he was appalled by the recent unilateral decision by French banks to lend the Soviet Union \$140 million toward the construction of a natural gas pipeline from Siberia to Western Europe.

The Buckley mission to major European allies would focus on the whole question of future Western credits for the Soviet Union, he said.

Speaking in a television interview, Mr. Haig also said that the United States has new and "incontrovertible evidence" that the Soviet Union is using chemical weapons in Laos, Cambodia and Afghanistan, and that these weapons have killed "scores of thousands of non-combatants in all three target areas."

State Department spokesman Dean Fischer said that the new evidence includes more samples of the toxic materials used, as well as a broader variety of evidence than has been presented before.

Soviet Central Committee spokesman Stanislav Menshikov, appearing on the same television interview program, denied that the Russians were using chemical weapons and said a UN commission that investigated the matter found no evidence of the use of chemical weapons in Asia.

"We are somewhat disappointed" in the UN committee's conclusion, Mr. Haig said, but he added that the new evidence has also been turned over to the United Nations for examination.

## 194 Held After Protest in Poznan; Martial Law There Is Tightened

From Agency Dispatches

VIENNA — A total of 194 people were arrested and 162 of them were punished by misdemeanor courts following disorders in the industrial city of Poznan in western Poland on Saturday, the Polish press agency PAP reported Sunday.

A said groups of people began to gather in the center of Poznan. They were "provoked by leaflets inciting to demonstrations" and the crowd "shouted hostile slogans."

The agency said police moved in and arrested the demonstrators, mostly high school and university students, when calls to restore order and disperse were ignored by the crowd.

PAP said the crowd in Poznan also included "persons who are neither employed nor studying anywhere."

It said in connection with the incidents that the Poznan province defense committee decided to tighten several martial law restrictions that had previously been eased.

It said that as of Monday private car traffic and gasoline sale in Poznan would be banned "with the exception of persons who had been previously granted special permits such as doctors, veterinary surgeons, farm produce suppliers," and others.

All public entertainment was also banned, PAP reported, an indication of considerable official concern over the demonstrations.

Meanwhile, diplomatic sources in Warsaw reported that small numbers of former detainees have begun to appear at several Western embassies in the capital in the last two weeks saying that they were encouraged by Polish authorities to seek emigration.

Two embassies reported six such cases each, and a third reported more than a dozen. Some of the Poles have apparently sought permission to enter Western countries.

"After their release, the police indicated to them that since they are considered troublemakers, they should leave the country," a source said. "They were told their emigration passports would be processed as soon as they returned with the promise of a visa from some Western country."

Diplomats differed on how significant this development might be in terms of numbers of potential emigrants. "This is only the beginning," one said. "I would expect that in a month's time there will be a couple hundred of these."

But an officer at another embassy said: "I don't see this as any kind of flow. A certain percentage of those interned may have long wanted to leave Poland and figure now is their chance. But none of the really committed are leaving."

What to do with internees is one of the most volatile questions facing Poland's martial law authorities. To free them quickly, officials have said, would only invite a return to the situation that existed before martial law was declared Dec. 13.

None of the individuals who have approached Western embassies so far is believed to have played any significant role in the Solidarity movement. Most are miners from Silesia.



POLISH WELCOME — Polish workers in Kaduna, northern Nigeria, greeted Pope John Paul II with a Solidarity banner Sunday. The pope called for cooperation between Christians and Moslems, but Moslem leaders did not show up for a scheduled meeting with him. Page 2.

## Reagan Said to Approve Action To Stem Central America Unrest

By Don Oberdorfer and Patrick E. Tyler  
Washington Post Service

WASHINGTON — President Reagan has authorized a broad program of U.S. planning and action in Central America, including the encouragement of political and paramilitary operations by other governments against the Cuban presence in Nicaragua, according to informed sources.

The administration program, adopted after top-level discussions in the National Security Council, includes a range of economic, political and propaganda elements in addition to encouraging moves for foreign governments designed to disrupt alleged Cuban-Nicaraguan supply lines of arms to guerrilla forces in El Salvador.

It is not known whether any action has been taken by other governments or any direct support provided by the United States.

A White House spokesman said Saturday night that he was unable to comment on the reports.

Administration officials have charged that rebel forces in El Salvador are directed from bases in Nicaragua with the assistance of Cuban advisers, and that training bases and supply facilities in Nicaragua provide a platform for the Salvadoran insurgency.

Since a three-month attempt to reach a negotiated accommodation between Washington and Managua became deadlocked at the end of October, U.S. officials have increasingly viewed Nicaragua as a menace to U.S. interests on the scale of "another Cuba."

As part of the effort to counteract Cuban-Nicaraguan support of insurgency, which has been publicly denied by Managua, the CIA is reported to have proposed a secret \$19-million plan to build broad political opposition to the Sandinista rule in Nicaragua and to create "action teams" for paramilitary and political operations and intelligence gathering in Nicaragua and elsewhere.

A foreign government that might be involved is Argentina, whose ruling military junta has long been opposed to leftist activities in the Western Hemisphere and which is said by some sources to be training as many as 1,000 men for such a purpose.

As reportedly contemplated by the CIA, neo-Americans would be used for the most part in implementation of its plan, but the possible use of U.S. personnel to undertake paramilitary action against some unspecified "special Cuban targets" was also envisaged.

It could not be learned whether the CIA proposal has been approved and implemented. Reliable sources said, however, that U.S.-backed activities aimed at Nicaragua have been stepped up since the Hoodwink-Nicaraguan border in the last three months.

These activities, according to one report, were limited initially to advising and supporting a force made up largely of anti-Sandinista exiles in Honduras. The activities are said to have been stepped up in recent weeks to match increasing military action by guerrillas in El Salvador.

Nicaraguan Foreign Minister Miguel d'Escoto, in an interview with United Press International Feb. 5, charged that the United States was training an exile army of 6,000 men in 20 training camps along the border in cooperation with Honduras, Guatemala and Argentina.

Covert Actions

Argentina, which withdrew its ambassador from Managua last week, has denied military involvement in Central America. U.S. spokesmen have refused to comment on reports of U.S. support for covert actions in the area, citing a longstanding rule against confirming or denying such activities.

Mr. Reagan, who is said to have approved many of the elements of the overall approach to Central America in mid-November, was reported to have said that U.S. armed forces have long been consid-



A U.S. military adviser in El Salvador, shown in a videotape made by an American television crew, had a 45-caliber automatic pistol on his belt. The broadcast of the videotape, which showed other advisers carrying rifles and grenades, led to a U.S. officer being ordered to return home.

## Adviser Who Carried Combat Arms In El Salvador Ordered Back to U.S.

By Juan M. Vasquez  
Los Angeles Times Service

SAN SALVADOR — A U.S. Army officer has been relieved of duty and ordered home for violating rules governing the carrying of weapons by military advisers in El Salvador.

"He was carrying something other than sidearms, which is against the policy," U.S. Ambassador Deane R. Hinton said at a news conference.

A Salvadoran magistrate, meanwhile, has ordered five suspects to be held in prison pending a possible trial for aggravated homicide in the December, 1980, murders of four American churchwomen. The suspects could face a death sentence.

One of the five former members of the National Guard has confessed to the crime and implicated his companions, according to a copy of a court order given to reporters by President Jose Napoleon Duarte. A sixth suspect was set free.

The guidelines covering U.S. military advisers permit them to carry nothing larger than a pistol. The rules are designed to emphasize a broader policy forbidding the advisers to engage in combat except when their lives are endangered.

Mr. Hinton said that out of all the other officers and men at the scene violated the guidelines.

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## Probe of Tokyo Crash Points to Pilot Error

By Henry Scott Stokes  
New York Times Service

TOKYO — Investigators into the crash of a Japan Air Lines DC-8 in which 24 persons died Feb. 9 have said there was a struggle in the cockpit of the plane only moments before it fell into Tokyo Bay 300 yards (273 meters) short of the main runway at Haneda Airport.

Police have released findings that point to pilot error as the cause of the accident. They said one of the airline's four jet engines was put into reverse thrust just before the crash, which caused the DC-8 to lose altitude sharply on its approach run from about 200 feet (182 meters).

Police investigators and Japan Air Lines officials have declined to make a formal statement on who was responsible for the extraordinary action. But Japanese newspapers have quoted unidentified officials as saying that Capt. Seiji Katagiri, 35, put the engine into reverse using a control lever in the cockpit.

Geoffrey Tudor, a spokesman for the airline, said Japan Air Lines had no further comment and declined to answer questions on the speculation in the press that the pilot of the jetliner lost his mind at the controls and may have deliberately crashed the jetliner.

"We are not in a position to comment, because we don't have access to that evidence," he said. Police officials in charge of the investigation could not be reached for comment on the cause of the crash or on the pilot's mental health.

Accounts of the drama in the cockpit just before the crash have not given a clear picture of what happened. Mr. Ishikawa and Mr. Ozaki were both hospitalized with severe injuries.



Seiji Katagiri, right, captain of the Japan Air Lines DC-8 that crashed in Tokyo Bay last week, is shown about an hour after the accident aboard a lifeboat beside a stewardess who suffered a facial injury. The captain is wearing civilian clothes. There was no immediate explanation of why he was not in uniform.

## Struggle Is Reported

Investigators said there was a struggle in the cockpit just before the crash. Flight engineer Yoshimichi Ozaki, 48, "stood up to seize the captain," according to the Kyodo news agency.

The police said co-pilot Yoshimichi Ishikawa, 33, tried to pull back the controls to bring the DC-8 — which was carrying 174 persons including a crew of eight — out of a steep dive, but was unable to carry out the maneuver for reasons they did not clarify.

Circumstantial evidence, the Japanese press said, suggests the pilot lost his senses at the controls as the plane was coming in to land. Press reports cited as evidence a voice recording allegedly showing Capt. Katagiri was in an abnormal state, crying out loud in the cockpit on the approach, still some distance from the airport.

Japan Air Lines president Yasu-

## work, and children stayed away from school.

Hundreds of residents held a quiet protest in a heavy snowfall in the town square of Majdal Shams, the main village, while Israeli police patrolled the nearby area to prevent incidents.

More than 3,000 Druze attended a meeting in Majdal Shams Saturday night and declared a general commercial strike throughout the Golan Heights Sunday to protest the arrests and the annexation.

Telegram to Begin

Earlier last week, the Druze leaders sent a telegram to Prime Minister Menachem Begin urging that Israel's annexation of the Golan Heights be rescinded and declaring that the Druze are Syrian Arabs living under occupation and that they will be forced to resist if

## Druze Begin General Strike in Golan Heights Over Arrests

From Agency Dispatches

TEL AVIV — Druze inhabitants of the Golan Heights began a general strike Sunday over the detention of four community leaders accused of incitement against Israel.

Israel captured the plateau from Syria in the 1967 Arab-Israeli war and annexed it Dec. 14. Tension has since risen among its 13,000 Druze inhabitants, members of a sect that broke away from Islam in the 11th century.

The strike call, which was made after the surprise arrest of the four community leaders Friday night, appeared to be honored by almost all of the Druze population on Sunday.

All shops and businesses were closed, people from the Golan Heights who normally commute to jobs in Israel proper did not go to

work, and children stayed away from school.

The four arrested include Kamal Kanj, a former member of the Syrian Parliament, who in 1969 was sentenced to 10 years in prison by an Israeli military court for security offenses but was released 18 months later because of failing health.

The others are Sheikh Suleiman Kanj, Sheikh Mahmoud Hassan Safadi and Kanj Kanj, all of whom are outspoken pro-Syrian Druze leaders who have been active in a campaign to refuse the acceptance of Israeli civilian identity cards being issued by the Ministry of Interior. Virtually all of the Golan Heights Druze have refused to accept the cards.

Officials of the 31 Jewish settlements in the Golan Heights, meanwhile, were reported Saturday to have agreed not to employ any

Israel continues to impose its law on the Druze.

Tensions in the Golan Heights increased last week following four public meetings at which some Druze threatened a campaign of civil disobedience, including refusal to pay Israeli income taxes and rejection of Israeli national insurance benefits if the annexation law is not rescinded.

Secret Tenets

The Druze are members of a splinter sect of Islam with secret tenets. As a minority in a region that has been conquered by one army or another over the centuries, they developed a reputation of dexterity in political survival.

The Druze are divided between those who are openly supportive of Syria and those who openly have advocated for years Israeli annexation of the Golan Heights. But

Druze workers who do not hold Israeli civilian identity cards.

There is a large bloc of Druze residents who have refused to commit themselves to either camp.

Israeli officials Saturday sought to minimize the importance of the current unrest in the Golan Heights, calling it a result of intimidation from Damascus.

Nissim Dana, an official of the Religious Affairs Ministry that is responsible for Golan Heights Druze activities, called the resistance "not more than passive participation in meetings and rallies against Israel."

"Anyway, we are talking about a small group which, for various reasons, tries to incite the local population to oppose Israel. The group acts with encouragement and sometimes with material assistance from leftist and Communist groups, and is also influenced by

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## INSIDE

### A S. African Unity

In South Africa, ruled by a white minority, a cortege of more than 1,000 blacks and whites wound through Johannesburg, bearing the coffin of a white trade union organizer who died in detention. Page 6.

### U.S. Arms Costs

With projections putting costs at \$1.640 billion over the next five years, President Reagan's defense budget for fiscal year 1983 is the most comprehensive program for optional rearmament the United States has known since World War II. But the very scope of the budget raises questions about the philosophy behind the proposals. A News Analysis, Page 3.



## Weinberger's Mission Shifts U.S. Priorities On Threats in Mideast

By George C. Wilson  
Washington Post Service

WASHINGTON — The Reagan administration is redirecting its military efforts in the Middle East in the belief that internal subversion is more of a threat to friendly countries, and their oil, than Soviet attack, U.S. officials say.

Officials said this policy shift underpinned a 10-day visit by Defense Secretary Caspar W. Weinberger to Saudi Arabia, Oman and Jordan. Mr. Weinberger returned here Saturday night.

In talks with Arab leaders, Mr. Weinberger was said to have gone beyond decrying the Soviet threat in listing seaports and airfields that the U.S. Rapid Deployment Force would like to use during an emergency.

He also talked about what must be done to keep moderate governments in the Gulf region from being toppled by Moslem extremists, some of them homegrown and some sent in from outside.

Many Problems  
Defense officials said this new agenda was forced upon the Reagan administration by a series of events during the past year, including the brief occupation of Chad by Libyan troops; the tripartite pact signed by Libya, Sudan, Yemen and Ethiopia; the threat of the disintegration of the Somalia government; the assassination of President Anwar Sadat of Egypt by radicals within his own army; and the abortive coup attempt against the pro-Western government of Bahrain by Moslem extremists.

"All of this made a direct Soviet attack look like the least likely threat," said a Defense Department official in confirming that U.S. military efforts were being redirected in hopes of countering subversion of moderate governments in the Gulf, Middle East and Africa.

Although the Rapid Deployment Force will keep polishing contingency plans for combating Soviet thrusts against Gulf oil

Spain Sets Plan to Aid Region Near Gibraltar

MADRID — The Spanish government has approved a \$13-billion (5130-million) investment plan for the economically depressed area around the British colony of Gibraltar.

A spokesman said the 1982-84 investment plan, approved at a Cabinet meeting Friday, was aimed at improving the infrastructure of the so-called "plain of Gibraltar" before the planned lifting of border restrictions on April 20.

fields, Pentagon leaders were said to be preparing to work even more intensively to shore up friendly governments in the Indian Ocean theater with direct aid.

Although the United States was asked to help by supplying modern weapons to needy states in the Indian Ocean region, the Arab leaders Mr. Weinberger conferred with were said to have stressed that the need was much more than hardware.

They said economic assistance, not just weapons, was needed. In this connection, Mr. Weinberger and officials of Saudi Arabia said in a press conference that they would continue to give economic assistance to countries in the Gulf to help keep it stable.

In the Omani capital of Muscat, Defense officials said, Sultan Qaboos bin Said discussed the threats posed to nations in the region. One such threat to Oman itself, the sultan reportedly told Mr. Weinberger, was Southern Yemen.

The sultan reportedly said he would like to have more modern weapons, but did not submit a specific shopping list and instead focused on threats from radicals in his Gulf area.

In talking about the threat from extremist groups, King Hussein of Jordan and his deputies were said to have focused on Iran and to have said it would be in the U.S. interest to open up a dialogue with Iraq. Although Mr. Weinberger said publicly that the administration would not take sides in the Iranian-Iraqi war, he did not rule out discussions with Baghdad.

Baghdad Talks  
A U.S. official traveling with Mr. Weinberger broadly hinted that the Jordanians had emphasized that Baghdad would welcome some kind of overture from Washington that would enable the two governments to open discussions, perhaps privately with no public announcement either before or after.

Mr. Weinberger seemed unbothered by the angry reaction of Israel to reports that the United States might be willing to sell Jordan anti-aircraft missiles and F-16 fighters.

"We need as many friends in the Middle East as we can get, not just Israel," he has said.

"There was no suggestion during Mr. Weinberger's tour that he was going further than President Reagan desired in talking frankly and openly with Arab leaders."

It appeared that he succeeded in opening an intensive dialogue with Arab leaders as the administration sought to carry out its decision to redirect military efforts to conform to a new sense of priorities about the threats to Gulf oil.



A U.S. Special Forces officer led part of a 450-man contingent of Salvadoran troops as they arrived at Fort Bragg, N.C., for

advanced infantry training at the John F. Kennedy Center for Military Assistance, the Army's Green Beret headquarters.

## Reagan Said to Adopt Central America Plan

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drafting a speech to announce the long-promised Caribbean Basin plan of economic support for friendly nations.

He is unlikely to provide details in the speech of the military aspects of the plans to counter Cuban and Nicaraguan influence. It was learned, however, that the Defense Department has been authorized to draw up contingency plans to deal with "unacceptable military action" by Cuba.

One part of the planning is to discuss the use of U.S. forces to deter the introduction of Cuban military forces into Central America. About 1,800 to 2,000 Cuban advisers and about 50 Soviet personnel are reported to be in Nicaragua, administration sources say.

Another aspect is planning for "direct pressure" against Cuba with such moves as a naval quarantine to block Cuban domestic petroleum supplies and retaliatory air actions against Cuban forces and installations.

There is no indication of approval for such activities, as distinct from authorization for planning. The Pentagon is said to be

strongly opposed to direct U.S. military action in the Caribbean, on the grounds that the costs and risks would be excessive given the United States' global military responsibilities.

Sources said that among at least 10 programs or planning efforts approved by Mr. Reagan, in addition to encouragement of political and paramilitary activity by foreign governments and contingency planning against Cuba, are:

- Additional economic support, estimated to total \$250 million to \$300 million, for Central American and Caribbean countries.
- This is the core of the long-promised Caribbean Basin plan, the unveiling of which has been postponed from month to month because of political and bureaucratic difficulties within the administration. Mr. Reagan is expected to announce it formally before the end of the month.
- Additional military assistance to El Salvador and Honduras from a special emergency fund available to the president.
- Action on this was temporarily withheld during the Christmas-New Year congressional recess. Lawmakers were notified late in January, after a devastating guerrilla attack on El Salvador's principal military airport, that \$55 million in military assistance was being allocated to El Salvador from this fund. No word has been given about corresponding aid to Honduras.
- U.S. training for Salvadoran military forces in the United States and El Salvador.

Congress was notified in mid-December of plans to train Salvadoran forces at U.S. bases. The training has started at Fort Benning, Ga., for 400 Salvadoran officer-cadets. U.S. military advisers in El Salvador are continuing the training of forces there that began early last year.

It has been reported in recent weeks that a fresh shipment of a dozen MiGs has arrived in Cuba, but it is uncertain whether the MiGs are interceptors or the type equipped with racks to carry nuclear weapons.

Communism Warning

BUCHAREST (NYT) — President Nicolae Ceausescu of Romania has warned Mr. Haig that continued U.S. sanctions against Poland would set back chances for an early resolution of the Polish crisis.

At a news conference on Saturday after four and a half hours of talks with the Romanian leader at the end of a four-nation tour, Mr. Haig said that both sides had agreed "on the need for normalization in Poland and the lifting of martial law," but that "there were some differences on the Polish question as they pertained to sanctions" imposed by Washington.

Mr. Haig acknowledged that Mr. Ceausescu also had been critical of the U.S. intention, backed by his chief allies, not to continue negotiations for new East-West agreements at the Madrid Conference on Security and Cooperation in Europe until the Polish crisis had ended.

"I interpret President Ceausescu's view as that we should nevertheless persevere and seek a meaningful outcome of these talks," Mr. Haig said. "I emphasized that continuation of business as usual in these talks would make a mockery of them."

According to Mr. Haig, Mr. Ceausescu "made it very clear that sanctions against the Polish government might be counterproductive." But Mr. Haig said that the Romanian leader "did not raise questions about the sanctions against the Soviet Union."

Food Prices Raised

BUCHAREST (AP) — Romania announced Sunday sharp price increases for foodstuffs, including an average 64-percent boost in meat prices and a 55-percent rise in sugar and salami prices.

Bucharest radio reported that starting Monday prices of a long list of staple goods, including all basic products and cigarettes, would go up by an average of 35 percent.

Pakistan to Continue Ban on Vote, Zia Says

ISLAMABAD, Pakistan — President Muhammad Zia ul-Haq said Sunday that his military government remained committed to holding elections in Pakistan but that the climate was not yet suitable for a vote.

He said that his Cabinet had decided Wednesday to continue a 28-month-old ban on politics so that politicians "should not create uncertainty." Gen. Zia, who came to power 4½ years ago in a bloodless coup, said: "We will hold the elections and have no intention of not doing so."

## U.S. Orders Adviser Home

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Those who did "have been given firm oral reprimands," he said.

As for Col. Melander, he added, "The officer involved, who very much regrets this incident, was concerned for his own safety, but lamentably failed to discuss his concern either with the Military Group commander or with me."

Embassy officials said there are 50 U.S. military trainers in El Salvador. The maximum authorized by Congress is 55. Most are involved in basic combat training or helicopter pilot training and maintenance.

Visiting Senators

At the news conference with Mr. Hinton were two visiting U.S. senators, Claiborne Pell of Rhode Island, the ranking Democrat on the Foreign Relations Committee, and Patrick J. Leahy of Vermont, a member of the Appropriations Committee.

The legislators said they had spent much of the morning discussing human rights abuses by Salvadoran security forces with Gen. José Guillermo García, El Salvador's defense minister.

Sen. Pell said he and Sen. Leahy had emphasized that Congress would not continue to authorize the current level of support for El Salvador "if there continue to be gross violations, assassinations, cruel murders."

Sen. Leahy, asked about the incident involving Col. Melander, said he had been assured that U.S. military men here had not been involved in "offensive activity."

"If it turned out that was not so, the reaction would certainly be disastrous to both the administration's proposals and to the further plans of the Salvadorans," he added. He was referring to efforts by the Reagan administration to increase aid to El Salvador.

Sen. Leahy said he had entered into "a bit of an argument" with Gen. García when he asked about human rights abuses by the military.

"I found his answers totally unsatisfactory," Sen. Leahy said. "I pointed out that not only must changes be made in that regard, but that Salvadorans must hope they can demonstrate very well to us what the U.S. final, vital interests are here."

He added, "Certainly, if he is not going to be honest to visiting members of Congress, he's not going to get support."

In the case of the slain American churchwomen, President Duarte gave reporters copies of a detention order signed by Judge Bernardo Rauda Murcia in which the judge said there was sufficient evidence to believe the men probably had committed the murders. Mr. Duarte, speaking at an unprecedented news conference, once again asserted his "moral conviction" that the accused were guilty. He said El Salvador's attorney general will present further information to the case.

The action came three days after the six former guardsmen — the five who were ordered held and the one who was released Saturday — were formally charged by the government.

The judge was required to decide by Saturday whether to order the detention of the suspects while the investigation continues or to set them free.

The next phase of the investigation, which will take about four months, will probably result in a jury trial, sources said.

The court order cited a lengthy statement given by Salvadoran Rivera Franco, the suspect who was released, as important evidence.

According to Mr. Duarte's version of the soldier's statement, the other five, led by a sub-sergeant, took the women to a remote field, sexually abused them and shot and killed them before burying them.

The victims were Jean Donovan, a lay missionary, Dorothy Kazez, an Ursuline sister, and Maura Clarke and Ita Ford, sisters of the Maryknoll Order.

Mr. Duarte said he had personally looked into allegations that higher-ranking officers might have ordered the killings, but found no basis for the accusation. All six suspects were questioned about this during a polygraph examination, he said.

Protest in Boston

BOSTON (AP) — About 3,000 protesters marched here Saturday to protest the U.S. involvement in El Salvador. They chanted, "No war, no bombs, we don't want more Vietnamese."

## WORLD NEWS BRIEFS

### Schmidt Party Unit Rejects Missiles

The Associated Press

PADERBORN, West Germany — A local branch of Chancellor Helmut Schmidt's ruling Social Democratic Party voted Sunday against deployment of new U.S. missiles in Europe and demanded that all preparations for the stationing of the weapons from late 1983 be halted.

The resolution was passed 139 to 124 by the East Westphalia party group in the Social Democrats' stronghold state of North-Rhine-Westphalia. The resolution rejected the missile deployment on grounds that it was necessary to strive for a "nuclear-free Europe."

Social Democrat deputy Klaus Thiesing said it was "irrefutably clear" that the Soviet Union wanted to negotiate arms control. The resolution followed rejection of aspects of Mr. Schmidt's defense policy by three party branches at meetings during the weekend of Feb. 6, although the chancellor had just won a parliamentary vote of confidence in his leadership with the backing of all 269 deputies in his left-liberal coalition.

### City Hall Hit in New Corsica Attack

United Press International

BASTIA, Corsica — A stick of dynamite damaged the city hall in Calvi early Sunday, the 27th anti-French attack within three days by Corsican nationalists.

Responsibility for the dynamiting of the city government building was not immediately claimed. But police connected it with an announcement Sunday by a veteran underground movement, Justizia Paolina, that it was again in operation "for the national liberation of Corsica."

Corsican militant groups, who have carried out bombings and assassinations since 1974, had maintained a truce since the election of Socialist François Mitterrand, who promised a different status for Corsica in his presidential campaign last year. The National Liberation Front of Corsica, the main nationalist group, effectively broke the truce last week with 26 bombings and gun attacks, killing one Foreign Legionnaire.

### Moscow Says U.S. Threatens Peace

United Press International

MOSCOW — Premier Nicolai A. Tikhonov of the Soviet Union said Sunday that President Reagan was increasing the danger of war and pursuing a policy of "economic blackmail" that would backfire against Washington.

In an interview with the Japanese newspaper Asahi that was distributed by the Soviet press agency Tass, Mr. Tikhonov said U.S. efforts to disrupt the existing military balance in the world in its own favor are "prosperous."

Mr. Tikhonov said Moscow would stand behind the imposition of martial law in Poland and would continue to send "considerable" aid to Poland despite enormous economic difficulties at home and Warsaw's inability to pay for the help.

### Egypt Says Libya Buildup Continues

The Associated Press

CAIRO — Egypt's defense minister said Sunday that Libya was continuing a military buildup along the border with Egypt and said the United States had agreed to speed up arms deliveries to Sudan, the Egyptian press agency reported.

Gen. Abdel Halim Abu Ghazala made the remarks in an interview with the press agency during a 24-hour visit to Sudan in which he met twice with President Gaafar Nimeiri.

Egypt and Sudan have expressed concern at what they consider increasing Soviet arms stockpiling in Libya. Gen. Abu Ghazala said he delivered a message from President Hosni Mubarak to Mr. Nimeiri saying that the United States had assured Mr. Mubarak during a recent visit to Washington that it would speed up arms deliveries for Sudan.

### Rogers Urges NATO Spending Rises

The Associated Press

MUNICH — Gen. Bernard W. Rogers, the supreme commander of Allied forces in Europe, called Sunday on NATO members to raise military spending by 4 percent a year in real terms to counter the "worrying weakness" of the West against the Soviet Union.

He held a meeting of about 150 NATO officials and military experts that the alliance's conventional forces must be strengthened. Asked if that meant that the 3-percent real annual spending increase agreed by NATO members in 1978 was not enough, Gen. Rogers said a 4-percent target would be more realistic.

### Turkey Regulates Foreign Contacts

The Associated Press

ISTANBUL — Turkey's military rulers on Sunday banned civilian organizations from having foreign contacts without prior permission in an apparent effort to quell criticism of the government here.

Labor unions, professional groups and associations were required under the ruling to get written approval before they invite "foreign representatives and delegations" to Turkey for any reason.

An announcement by the Istanbul martial-law command said that despite a total ban on political debate in Turkey, imposed immediately after the military takeover in September, 1980, "some organizations... persisted in indulging in political activity... and created insidious opposition" to the present military government.

## Nigeria Moslem Chiefs Fail to Meet With Pope

From Agency Dispatches

KADUNA, Nigeria — Moslem leaders failed to show up Sunday for a meeting with Pope John Paul II, but the pontiff read his prepared remarks anyway, making a passionate appeal for cooperation and unity among Christians and Moslems.

A Nigerian government spokesman, who asked not to be identified, said that rivalry among three Moslem sects prevented the religious leaders from getting together. He would not elaborate.

In a hastily arranged gathering at the airport, John Paul instead read his statements to Gov. Abba Musa Rimi of Kaduna state and several other state officials. He then flew back to Lagos, 400 miles (640 kilometers) southwest.

A Vatican spokesman said that as far as the Vatican was concerned, the pope had delivered his message to Moslem leaders since most of the government officials were Moslems.

Another Nigerian official said that for "reasons of security" the local officials had thought it better for the pope to return immediately to Lagos.

"I am convinced that if we join

## Druze Begin Golan Strike

(Continued from Page 1)

daily propaganda by Syrian radio and television," Mr. Dana said in a Radio Israel interview.

He said the Druze have also been intimidated by religious leaders' threats of religious and social "shunning" of pro-Israeli Druze and by threats made against Golan Druze's family members who live in Syria proper.

"If here and there there will be some disturbances, the appropriate agencies will take the right and lawful steps against all lawbreakers," Mr. Dana said.

He said the longstanding Israeli practice of allowing Golan Heights Druze to visit with Syrian family members at the chain-link fence along the border may also increase intimidation, and that Israeli officials will reconsider the policy to meetings this week.

hands in the name of God we can accomplish much good," he said in Kaduna, a mainly Moslem city. "We can work together for harmony and the national unity... We can collaborate in the promotion of justice, peace and development. It is my earnest hope that our solidarity of brotherhood, under God, will truly enhance the future of Nigeria and all Africa."

Pursuing a desire expressed by the Second Vatican Council for closer relationships with other monotheistic religions, he appealed for Moslem-Christian dialogue "in order to understand each other better at both the level of scholars and in person-to-person relationships."

Maintaining that Christianity and Islam have many things in common, he said cooperation between Christians and Moslems would promote more honesty and discipline in private and public life.

"Both of us can spearhead the principle and practice of religious freedom," he said.

On the third day of his second pilgrimage to Africa, the pope flew from Lagos to celebrate Mass and ordain 90 priests in Kaduna.

As his car drove through a crowd of almost half a million Christians, Nigerians, about 300 Polish workers on government contracts in Kaduna greeted their countryman with a banner bearing the names of Poland and the trade union Solidarity.

When the pope spotted a boy waving a Polish flag, he ordered his driver to stop, and bent to kiss the flag.

The pope's tour of Nigeria, Benin, Equatorial Guinea and Gabon is his first foreign trip since he was wounded nine months ago in an assassination attempt. He was protected by tight security, and Nigerian authorities were anxious to avoid any repetition of disturbances two years ago caused by militant members of the Moslem community in Kaduna.

Soldiers, police and several anti-aircraft guns lined the roadway when the papal plane arrived in Kaduna. Police with metal detectors checked the raised dais where the Mass and ordinations took place. Surging crowds, almost bursting wire fences in their efforts to see the pope, were pushed back by police.



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**SAVE ON SURCHARGES**  
Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel

surcharges reasonable, go ahead and call. No Teleplan? Read on! There are other ways to save.

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In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call back from the States with dollars, not local currency, when you get your next home or office phone bill.

**SAVE THESE OTHER WAYS**  
Telephone Company credit card and collect calls may be placed in many

countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

**SAVE NIGHTS & WEEKENDS**  
Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.

You'll save a lot of green when you follow these tips. And a lot of gas when you travel by jaunting cart.



Reach out and touch someone



# The New Pentagon Budget: Size or Strategy?

Critics Question the Direction Behind Reagan's Rearmament Program

By Drew Middleton  
New York Times Service

NEW YORK — With projections putting costs at \$1,640 billion over the next five years, President Reagan's military budget for fiscal year 1983 is the most comprehensive program for national rearmament the United States has known since World War II. But the size of the budget raises questions about the philosophy and wisdom behind proposed military spending.

For example, while a \$216-billion military budget for fiscal 1983 provides the United States with more weapons, will it be consonant with clearly defined military strategy?

Few analysts question the rationale for increases. The most strident criticism of Mr. Reagan's proposed military budget is aimed not at its size but its direction. A group of Pentagon officials from the Carter administration known as Democrats for Defense expressed support last week for high-level military spending but criticized what they saw as a lack of coherent spending policy.

While few question the need to replace the old B-52 bomber, for example, many question the production of the B-1B which, by the time it becomes operational, may be unable to penetrate the Russians' electronic detection system.

## Anti-Submarine Warfare

Similarly, there have been suggestions to reduce the B-1B program in favor of Trident nuclear submarines and the Trident-2 missile. But critics of that proposal maintain that, in view of the huge sums being spent on anti-submarine warfare by both superpowers, oo-

one knows how long nuclear submarines will be effective.

Money for two nuclear-powered aircraft carriers, \$6.3 billion, is also requested in the budget. But critics question whether, in a day of precision-guided munitions from ships, aircraft and shore installations, a large carrier is a practical investment.

The Navy's argument that a big carrier is more cost-effective is another example of what critics say is the emphasis of all the armed services on the means of fighting a war rather than on how the war is likely to be fought.

The Army's new M-1 tank is often cited as a prime example of the services' tendency to build weapons with undeniable combat value but questionable durability.

## NEWS ANALYSIS

Does it make sense, critics ask, to buy 7,058 M-1s at \$19 billion when the tank's transmission is so delicate that the vehicle cannot dig itself into a hull-down position on the battlefield? This drawback has forced the Army to provide armored combat earthmovers — high-speed bulldozers — at \$1 million each.

Because the M-1's turbine engine requires 3.86 gallons of fuel for every mile traveled, the Army will also require a new fleet of tankers to keep armored divisions operational in the field.

Perhaps the most important question raised by the proposed Pentagon budget is the extent to which it allows the military to obtain the

force level required for a new globalist strategy — readiness for involvement in limited wars around the world.

Gen. Edward C. Meyer, the Army chief of staff, emphasized the manpower problem in testimony this month before the Senate Armed Services Committee. He said that Mr. Reagan's global military strategy involves "tremendous risks," because the armed forces could be too small to implement it.

## 'Hollow Army'

In the past, he noted, the services focused "primarily" on the defenses of Western Europe but the administration now is committed to defending the Gulf and other regions from attack by the Soviet Union or its proxies.

The present Army of 775,000 and 16 divisions remains in some measure a "hollow army" with National Guard brigades filling out some of the divisions. About 37,000 combat troops will have to be found for two new mechanized infantry divisions, but from where? Will Congress at the request of the Defense Department raise the overall strength of the Army by 50,000? Or will the administration, against its present inclinations, consider the draft?

The Navy's manning problem is also acute. Even though retention had risen at the end of 1981, the Navy still lacks about 17,000 skilled technical people.

Five new tactical air wings for the Air Force require an investment in communications and control personnel, servicemen for base installations. Where are they to be found in an Air Force of 558,000 already hard pressed for personnel?

# Weinberger Urging Wider Range Of Data For New Secrecy Category

By George Lardner Jr.  
Washington Post Service

WASHINGTON — Defense Secretary Caspar W. Weinberger is pressing for a new secrecy classification to cover a wider range of information about technology, diplomacy, intelligence and other matters, even if disclosure would not damage national security.

A proposed presidential order on classification has already generated controversy — critics see it as dictating Cold War-era secrecy — but according to a copy of a memo obtained by The Washington Post, Mr. Weinberger wants the order to go further.

The memo indicates he has advocated a new security classification, "Restricted," saying it was critical to "the effective safeguarding of a range of information that is not now generally classifiable."

Sources said Mr. Weinberger is expected to take the issue to President Reagan.

Extending Classifications

The current classifications — Top Secret, Secret and Confidential — have been in force since Eisenhower's first year in office. The Reagan administration draft would extend those labels to many records not now classifiable. But the lowest level of classification, Confidential, would still require a more rigorous definition than the Defense Department wants.

Under the Pentagon proposal, the Restricted classification "shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause the loss to the United States of a technological, diplomatic, intelli-

gence, cryptologic or military advantage and which deserves protection in the interest of national security."

By contrast, the Confidential classification now in force can be applied only to documents which, if disclosed, could reasonably be expected to cause "identifiable damage to the national security."

The White House draft would eliminate the word "identifiable."

## Iranians Are Told To List Prisoners

United Press International

BEIRUT — The chief of Iran's Supreme Council Sunday ordered all prisoners and revolutionary committees to disclose the names of prisoners in the country within two weeks.

Ayatollah Musavi Ardebili said the name, charge, possibility of pardon and other information about all prisoners should be listed in the press.

Ayatollah Ruhollah Khomeini said Monday set a two-month deadline to judiciary authorities to announce the list. Observers believe leftist prisoners might not identify themselves for the safety of their families who might be interrogated later.

Under the Pentagon proposal, the Restricted classification "shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause the loss to the United States of a technological, diplomatic, intelli-

# Reagan Retracts Nomination for Employment Post

New York Times Service

WASHINGTON — President Reagan, bowing to opposition from civil rights groups and Democratic senators, has withdrawn his nomination of William M. Bell as chairman of the Equal Employment Opportunity Commission and announced his intention to nominate an Education Department official for the job.

A White House official said Friday that Mr. Bell, owner and sole employee of a Detroit job-recruiting concern, had asked that his name be withdrawn. Several members of the Senate Labor and Human Resources Committee had said that he was unqualified and that they would oppose his confirmation.

Mr. Reagan said he would nominate Clarence Thomas, assistant secretary for civil rights in the Education Department. Mr. Thomas, 33, would be the administration's first permanent chairman of the agency, which enforces laws prohibiting job discrimination. Since last March it has been run by J. Clay Smith Jr., a Republican, who announced last Thursday that he planned to step down as acting chairman on March 3.

## Sorsa Is to Form Finnish Cabinet

The Associated Press

HELSINKI — President Mauno Koivisto has named Social Democratic Party chairman Kalevi Sorsa to form a new government with the four parties that were in Mr. Koivisto's coalition before he was elected president in January.

Mr. Koivisto's announcement Friday came after the coalition parties — the Social Democrats, Center Party, Communists and Swedish People's Party — agreed on the distribution of key Cabinet posts.

Center Party chairman Paavo Vayrynen, the foreign minister in Mr. Koivisto's coalition, said that his party reluctantly accepted the loss of the Foreign Ministry, but "the other alternative would have been early parliamentary elections." Mr. Sorsa said that the new foreign minister will be Pär Stenback of the Swedish People's Party, who was minister of education.

# U.S. Congressional Staffs Discuss Tax Increases for Citizens Abroad

By Robert C. Siner  
International Herald Tribune

WASHINGTON — Proposals that would increase the U.S. taxes of Americans abroad are being discussed by the staffs of the Senate Finance Committee and the Joint Economic Committee.

The Finance Committee is where tax bills originate in the Senate, and the Joint Economic Committee is often consulted by tax-writing committees in the House and Senate to work out details on the broader tax proposals that are submitted by congressmen.

According to informed sources, the proposals involve extending the minimum tax to cover foreign earned income of overseas Americans and limiting the credit for foreign taxes.

However, sources emphasized that these proposals were still only in the discussion stage and there was no certainty that Americans abroad would be included in any legislation. A well-informed source said it was almost certain that the Finance Committee would come up with "a substantial minimum tax bill" but just what the provisions would be was still "indefinite."

The minimum tax now covers only certain types of revenue, such as income from tax-exempt bonds and certain business deductions. Proposals being considered now would extend the minimum tax to include certain deferred income, foreign earned income of Americans abroad and foreign tax credits.

## Officers Reduction

Under the Foreign Earned Income Act of 1978, which applies to 1981 taxes, a person with \$100,000 gross income would pay about \$12,000 in tax depending on whether he had children in school, where he lived and how far from home he was based. The 1981 law, which takes effect for income earned in 1982 and thereafter, would reduce that tax to zero. Under the minimum tax proposal most often being mentioned he would pay \$7,500 in tax. So the minimum tax would not wipe out the benefits of the new tax law, but only reduce them.

Sources said the current minimum-tax discussions centered on a rate of 15 percent, with income below a certain level, possibly \$50,000, exempt from tax.

This could partly offset the benefits of the 1981 tax bill, which, for income earned in 1982 and thereafter, allows overseas Americans a

\$75,000 income exclusion and a deduction for excess housing costs.

The current proposals could also require a higher outlay by American taxpayers in high-tax countries whose foreign income taxes totally offset their U.S. tax liability. Under current law, each dollar of foreign income tax can be used to offset a dollar of U.S. tax. Proposals are now being discussed that would put limits on the amount of U.S. tax that can be offset by foreign tax credits or even replace the credit with a deduction for foreign taxes.

The minimum tax and the limit on the foreign tax credit would apply to both corporations and individuals.

The following examples show how these provisions, if adopted, would work:

## Car Bomb Kills 4 In South Lebanon

New York Times Service

BEIRUT — A car bomb exploded outside a Palestinian refugee camp in the southern Lebanese port of Sidon, killing four persons and wounding five others, according to police sources.

The body-trapped car went off Saturday as explosive experts from the Palestine Liberation Organization were trying to dismantle the bomb. The car was originally parked inside the Ain el-Hilweh camp, which has a population of about 25,000. The vehicle was towed to an open lot outside the camp by PLO security men.

A car bomb that went off outside the Palestinian guerrilla headquarters in Sidon last September killed 50 persons, while 100 persons died when a body-trapped car exploded a month later in a Moslem quarter in Beirut where guerrilla offices are located.

John Sarpa, a tax expert with the U.S. Chamber of Commerce, said that reports of the mere fact that the discussions were being held had brought "a flood of telexes" and cables from American chambers abroad in protest.

## Leonardo Study Of Fluid Motion Flown To Italy

United Press International

FLORENCE — One of Leonardo da Vinci's more famous scientific works, the 16th-century illustrated study of hydrodynamics known as the Codex Hammer, has been returned in Florence after 265 years.

The manuscript is 72 pages of brown ink script, now faded, and written in reverse so that it be read when held before a mirror. Written here between 1506 and 1510, it was one of the first scientific studies of hydrodynamics. It predicted future submarine warfare and was also one of the first scientific challenges to the biblical story of the flood.

The Codex arrived in Italy Saturday aboard a Boeing 727 jet owned by Armand Hammer, the American oil magnate. He bought the Codex in England 14 months ago for \$3.8 million. It was known then as the Leicester Codex.

The manuscript, sealed in a metal flight container, was carried by two security men into the city's history of science museum. Anti-terrorist police escorted the document from Pisa, where Mr. Hammer's jet landed after a flight from London.



15 MISSING AFTER STORM — The stern section of the Greek tanker Victory slowly sinks after a storm broke the vessel in two north of the Azores. Dutch Navy helicopters lifted 16 crewmen from the ship but another was found dead in a life raft and 15 were missing.

# To Some Irish, Ulster Overshadows Bleak Economy as an Election Issue

By William Borders  
New York Times Service

MONAGHAN, Ireland — Sean Kelly, a young volunteer in the parliamentary election campaign, spent Saturday following a time-honored political ritual — knocking on doors asking for votes. But although Mr. Kelly's method was familiar, his message was unusually harsh.

"A vote for our party is a vote for the liberation struggle," he told one voter after another. "We've got to drive the Brits out of our land."

Mr. Kelly was campaigning for Seamus McElwain, one of the dozen or so candidates allied with the Irish Republican Army in its violent campaign to push the British out of Northern Ireland.

Mr. McElwain, 21, was not out meeting the voters because he has been in jail in Belfast since last spring. He is awaiting trial on a charge of having killed a policeman and a militia member.

## Concern About Economy

In the campaign for the Irish election Thursday, the serious economic situation is the principal issue. Voters are pressing Premier Garret FitzGerald and his challenger, former Premier Charles J. Haughey, about the 11-percent unemployment, about the 23-percent inflation rate and about the enormous burden of government debt and the new taxes needed to help pay it off.

But here in the border territory 75 miles (120 kilometers) northwest of Dublin, the Ulster question is always paramount.

"The men of County Monaghan have been giving their lives to the struggle for Ulster for years," said an elderly farmer. "They'll go right on doing it until the battle has been won."

Both Mr. FitzGerald and Mr. Haughey favor reunification of Ireland. Both are also committed to the continuing dialogue with London over the future of the British province to the north.

## Differences in Tone

But Mr. Haughey is considered somewhat more hard-line, as is his party, Fianna Fail.

But Mr. FitzGerald, during his seven-month tenure as premier, has launched what he calls a crusade to make this predominantly Roman Catholic country less sectarian, so that Northern Protestants could feel more at home here.

Mr. Haughey has vigorously denounced that effort.

In a recent campaign speech, the premier vigorously attacked Sinn Féin, the IRA's political wing, which is the party that nominated Mr. McElwain, the prisoner candidate.

"Terrorists are terrorists," Mr. FitzGerald said. "The party was created to support the terrorist movement and does so."

## Devlin Is a Candidate

Not all the republican hard-liners are Sinn Féin members. Bernadette Devlin McAliskey, who achieved renown more than 10 years ago as a fiery nationalist member of the British Parliament, is running for Parliament on the People's Democracy ticket. She still has a limp from wounds sustained in an attack by unionist paramilitary gunmen a year ago.

Mrs. McAliskey, who lives north

of the border, is allowed to run for Parliament because the Dublin government regards the entire island as Irish.

To the last Irish election, in June, nine prisoners from the North ran for Parliament, and two of them won seats. The pro-IRA candidates are not expected to do so well this time, but they could draw support away from the major parties, which would most likely hurt Mr. Haughey's Fianna Fail.

Last June neither of the major parties won a majority, producing the parliamentary instability that caused the FitzGerald government to fall late last month. A poll published a week later in The Irish

Times indicated sentiments that could produce almost exactly the same results this time.

## Crackdown on INLA

BELFAST (Reuters) — Northern Ireland police have arrested 24 members of the outlawed Irish National Liberation Army in the last two weeks, police said Sunday. They said this was nearly half the membership.

All 24 have been charged with belonging to the INLA, an extreme-left, pro-republican group, and many are also accused of murdering policemen and British soldiers.

Trade Secretary John Biffen, in a document presented to Parliament last year, reported that one of the agreements was that Mr. Murdoch's company shall not "without the consent of a majority of the independent national directors do anything or permit anything to be done which shall result in Times Newspapers Ltd. selling or otherwise disposing of any interest in The Times or The Sunday Times."

But the five were not asked to approve the title transfer and were not informed of it in advance. One of them, Lord Dacre, the former Hugh Trevor-Roper, said the transfer seemed to be a violation of the terms of the agreement and "a gross incivility" to the five independent directors.

Mr. Murdoch said, "Our legal advice was that it was not a matter for the independent directors." He said they were informed afterward "as a courtesy."

## Man Who Sought Reagan Home Had Theft Conviction

New York Times Service

LOS ANGELES — The San Diego County district attorney's office has reported that William C. Ogle, a principal figure in the failed sale of President Reagan's home in Pacific Palisades last month, was convicted of grand theft in 1976 and served time in a state prison.

That revelation Friday was made a day after the FBI said it had opened an investigation to determine whether any U.S. laws were violated in the transaction, which was aborted after an attorney for Mr. Reagan, Roy D. Miller, told the officials that his name had been forged on an escrow document.

Mr. Ogle is the head of the Zoller Group, a syndicate of 11 businessmen based in Palm Desert, Calif., that offered to buy the Reagan house.

According to principals in the transaction, Mr. Ogle, representing the group, submitted an offer in September to buy the home with a down payment of \$430,000 and bonds with a market value of about \$600,000. Mr. Miller said he signed an escrow agreement on behalf of the Reagan group to sell the home for \$1,030,000. The house had been listed for sale at \$1.9 million.

The Zoller Group subsequently applied for a loan on the property of \$1.1 million from a savings and loan company.

## Police Arrest 97 in Italy

United Press International

BRESCIA, Italy — Police arrested 97 persons and deported 20 illegal foreigners in a two-day crackdown on crime in northern Italy, police reported Sunday.

The report attributed the lesser illnesses to a "stuffy building syndrome" caused by poor ventilation. The cause of the cancers, polyps, cysts, breast lumps and other afflictions could not be traced, the report said.

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## Starting With the Truth

In its first country-by-country report on human rights, the Reagan administration provides what both law and conscience require — a fair accounting of abuses, by friend or foe. Exactly what the United States can or should do about repression elsewhere will plainly remain a matter of argument. But the evidence needed for that debate is here laid out, in grim detail and length (1,142 pages). That is a salutary landmark for an administration that came to office not really believing a human rights policy was needed.

There is some varnishing here and there, especially on Latin America. In other cases the accounting is scrupulous. For example, on the brutal justice practiced in anti-Communist Pakistan, the report says: "In September, a school bus driver was sentenced to death by stoning for adultery. This was the first sentence of this kind imposed in Pakistan. The co-defendant, an 18-year-old woman, was sentenced to a hundred lashes."

Tone is as important as content. Gone is the sneer at human rights that was implicit in the nomination a year ago of Ernest Lefever to guide this effort. Even a Republican Senate could not bring itself to confirm that nominee. The post went to Elliott Abrams, who is now carrying through a plausible policy for a conservative administration.

Abrams urges America to respond to all human rights violations, accepting the bur-

den that relations with a friendly country thus "may be damaged." He finally brings the administration into the mainstream by firmly declaring, "Every act of torture or murder is equally repugnant to the American people, no matter who commits it."

But such assertions will not finally hit home until the administration proves itself willing to take on a friendly government whose conduct betrays the relationship. That has not happened yet. Washington has been so eager to improve ties with Chile and Argentina that it is about to certify a significant lessening of repression there — a judgment this report fails to document convincingly.

U.S. attitudes do matter in many parts of the world. And in many instances, the way to express them is by linking American aid to specific and reasonable standards of civility: the freeing of political prisoners or the end of prison torture. In the case of El Salvador, Congress conditioned U.S. aid in part on proof that the murderers of three American nuns and a lay missionary in 1980 would be prosecuted. Now that Congress is looking at new aid, something is being done to that end.

The objectives and the right methods in each instance have to be carefully weighed, against U.S. security interests among other things. But a willingness to face the truth is the essential beginning.

THE NEW YORK TIMES.

## A Bad UN Resolution

So routine are lopsided, unfair condemnations of Israel in the United Nations that new votes tend to slip by, devalued by precedent and barely noticed. But the latest one deserves attention. Some 86 nations condemned Israel for its law annexing the occupied Golan Heights. In narrow terms, this was unexceptionable: The new Israeli law is a bad law. The way the General Assembly condemned it, however, was appalling.

The majority did not simply denounce the law. It called on other states "totally to isolate" Israel "in all fields," and it established a basis for a possible later move to vote Israel out of the assembly. Not the slightest acknowledgment was made of the contributions of other nations to the Arab-Israeli impasse — not least Syria, whose refusal to contemplate negotiations was the basis Israel claimed for annexing Golan. The resolution turned its back entirely on the Security Council resolutions representing the international peace-seeking consensus. A document more calculated to inflame disputes, rather than to serve the United Nations' purpose of easing them, is hard to imagine. Even the West Europeans voted against it.

It was especially objectionable that the United States, although unnamed, was the

evident real target of what Ambassador Jeane Kirkpatrick called "this miserable resolution." The U.S. veto of a similarly hysterical Security Council condemnation of Israel was "strongly deplored," and general American support of Israel was "deplored," too. Keep in mind that the United States had not merely disapproved of the Golan law but had taken direct steps (reducing military cooperation and aid, thereby bringing on a political confrontation) to give effect to its disapproval. The wolves of the assembly merely howl.

Many countries make these nasty votes against the United States and its friends and its values, and then pad around to give half-excuses and — some of them — to ask for arms. Why should the United States let them do this? The problem in New York is not that of an abstract "United Nations." The problem is that of specific governments, including in this instance such ostensibly moderate ones as those of India, Somalia, Yugoslavia, Pakistan, Indonesia, Morocco and Nigeria. Americans should not waste breath talking about "debasing the UN," which, as an institution, appears to have reached its level. We should be talking about countries that spit in America's eye.

THE WASHINGTON POST.

## An Alternative Budget

"Put up or shut up," President Reagan said last Tuesday to critics of his budget and its near-\$100-billion deficit. So Sen. Ernest Hollings put up. By Wednesday morning the South Carolina Democrat had taken up the president's challenge.

Hollings is the ranking minority member of the Senate Budget Committee and one of the best-informed members of Congress on fiscal matters. His alternative budget proposal for 1983 is not as weighty or as painstakingly prepared as the president's, but it is based on expert numbers, was prepared by the Congressional Budget Office and makes a worthy starting place for a sensible debate.

Hollings thinks Congress can get the 1983 deficit down to \$42 billion and balance the budget by fiscal 1985. His plan is a realistic approximation of how to get from here to there. It is also fairer than the Reagan budget, spreading the pain more evenly. The poor would not be asked to pay again and again to close the budget gap. Nor would defense spending be allowed so freely to widen it.

Hollings would begin by scrapping the Reagan commitment to a costly multi-year cut in income tax rates. He would increase

defense spending, but only by 3 percent a year, compared with the administration's proposed 12 percent in 1983. He would trim the yearly inflation premium paid to Social Security recipients and government pensioners, suspending it for 1983.

There will be time to argue the specifics of the Hollings proposal. But even in rough outline it is a practical alternative.

As everyone but President Reagan seems to know, accepting huge deficits year after year is a dangerous gamble. It risks sending interest rates skyward again, undermining chances for recovery from the recession.

A spokesman for the president belittled the Hollings effort as hasty and ill-conceived. But not Howard Baker, the Republican leader in the Senate. Baker praised his Democratic colleague's political courage and said that the new plan deserved careful examination.

By his own testimony, the president should also agree to that much. "The budget we've proposed is a line drawn in the dirt," Reagan said Tuesday. "Those who are serious about reducing the deficit will cross it and work with us." Mr. President, meet Sen. Hollings.

THE NEW YORK TIMES.

## Other Opinion

### Reagan's Budget and the World

U.S. political observers expect that it will be 1983 before the economic facts of life bully the president into the same kind of painful decisions that the U.K. faced last year. Given the fact that the pain from U.S. policy errors is so widely diffused over the world, it could take even longer. If the president will not yield in time, will Mr. Volcker?

The widespread criticism of the Federal Reserve in the United States keeps that possibility alive; but ironically the fear of an inflationary option is at present helping to

keep Wall Street demoralized, U.S. rates high and the dollar strong.

A second possible escape route lies in European action to impede the operations of the international capital market, through which the pain is transmitted. This idea is now being urged by the French, and is plausible enough to revive thought of possible exchange controls. However, there would be severe technical as well as political problems, and markets are on the whole resigned to the fact that we cannot escape a world dominated by U.S. decisions.

— From the Financial Times (London).

## Feb. 15: From Our Pages of 75 and 50 Years Ago

### 1907: Preserving State Forests

NEW YORK — With Gov. Hughes taking the side of the people in the matter of the preservation of the State forest lands in the Adirondacks, the pulp mill interests that want to flood that property have suffered a severe setback. While the Merritt amendment to allow the use of State lands will not come before the governor for official action, his attitude is bound to have a substantial moral effect on the legislators who will pass on the proposition. A protest is being raised all over New York State against the proposal to permit the flooding of State lands for private benefit. The governor said: "I have a strong conviction of the absolute necessity for the preservation of State forests."

### 1932: Hitler Becomes a German

BERLIN — Adolf Hitler's nomination as candidate for the presidency of the German Reich loomed when it was announced that the National Socialist leader had been admitted to German citizenship. The change of nationality from Austrian to German was effected automatically by his appointment as professor of practical pedagogy at the Technical Academy of Brunswick. The appointment was made by the government of the state of Brunswick, which in all Germany has the only National Socialist government. Hitler's strength in the country is still an unknown quantity. Hitlerism has made enormous strides since the 1930 elections, but it is not certain yet that the Nationalists will vote for him.

## Just Why Is the United States in El Salvador?

By Juan Vasquez

This is the first of two articles by the Los Angeles Times' correspondent in El Salvador.

CONGRESS simply threw up its hands in despair and decided, to quote Sen. J. James Easton, the Nebraska Democrat, that the junta supported by the U.S. government is truly "the lesser of two evils," despite its poor record in the area of human rights. This is to say that Americans must hold their noses and support the junta because there really is no acceptable alternative. Thus, the question is settled.

### Cynical Reasoning

But is it really? The terms used in Washington to justify the State Department's perception of the war deserve to be examined, because they go to the heart of the matter: Who governs El Salvador and to what end? What is the purpose of U.S. policy in the region? And what is the relationship between democracy and U.S. "strategic interests?"

To justify U.S. policy in El Salvador by evoking the threat of a "violent minority" is to rely upon cynical reasoning. Members of Congress saw through this. "Who has run El Salvador for the entire century if it hasn't been a violent minority?" asked Democratic Rep. Gerry E. Studds of Massachusetts, an outspoken dove. "The Salvadoran junta is a violent minority."

In a report submitted to the United Nations General Assembly last Oct. 28, a

special representative of the UN Commission on Human Rights who had studied the situation inside the country said: "Almost all the assets produced in El Salvador have been enjoyed and monopolized by a privileged group. However, this wealth has been flaunted before the middle and lower classes... They have seen it, it was their labor that produced it, but they have not enjoyed it; as a result, they have become embittered and frustrated and have reacted vengefully."

That is as succinct and clear an explanation of the insurrection as one is likely to encounter in any official report.

The document goes into detail on the sort of misery the situation has produced. A Canadian study is cited, for example, to show that El Salvador has the lowest per-capita consumption of calories in Latin America. To say it more simply, there is widespread hunger, and that is a kind of violence. El Salvador is the classic example of a country with a pyramid-shaped social and economic structure in which the few at the top basked in wealth and left little for those beneath them.

Anyone who has studied the country's history is aware of the high level of violence — conventional violence — to which its governments have resorted as a matter of routine. From the notorious massacre

of peasants provoked by the abortive uprising in 1932 to the present day, violence has been the accepted means of dealing with social problems.

"The legal system just overloaded and short-circuited long ago," a top U.S. diplomat lamented in San Salvador recently.

For, as the report to the UN General Assembly put it: "There has been a consistent pattern of gross violations of civil and political rights of all kinds over the past two years involving attempts on human life, cases of torture and cruel, inhuman and degrading treatment, arbitrary deprivation of freedom, arbitrary interference in individuals' private lives, family, place of residence and correspondence, and violations of freedom of thought, conscience, religion, expression, peaceful assembly and association, etc."

That should dispose of the argument that supporting the government of El Salvador will keep the country out of the hands of a violent minority and is therefore the lesser of two evils.

But what, one must next ask, could constitute a greater evil?

### In Salvadoran Style

Undoubtedly, the government that would emerge from a rebel victory in El Salvador would be profoundly opposed to U.S. interests and U.S. influence, but would that alone make it evil? Enders said the United States opposes efforts to "Nicaraguanize" El Salvador, but perhaps he should consider some comparisons.

• In Nicaragua, the Marxists have harassed church leaders who oppose the government by cutting off the archbishop's free television time. In El Salvador, the archbishop who spoke out against the government was murdered. At least nine other priests have been killed during the past three years or so, and many others have been harassed and intimidated. Bombs have exploded outside a house where some priests live.

• In Nicaragua, the independent newspaper La Prensa has been closed several times for reporting news that the government finds objectionable; the government has used crowds of bully boys to attack the paper's plant and intimidate reporters. In El Salvador, dozens of newsmen considered sympathetic to anti-government forces have disappeared or been murdered. Editors such as José Napoleón González and Jorge Pinto have been chased out of the country and their newspapers closed — permanently. All this without any rumble of indignation out of the State Department in Washington like the outcries that usually accompany any move against La Prensa in Nicaragua.

• In Nicaragua, there are hundreds of political prisoners, most of them former soldiers of the late President Anastasio Somoza. In El Salvador, there are few political prisoners. Clandestine, summary executions are more the style here.

Yet the idea persists that a Marxist takeover would make matters worse. The guerrilla movement here is indeed Marxist. But the Marxists became Marxist not out of a passionate devotion to Soviet dogma or Communist principles, but because Marxism has been held up here as the only real alternative to capitalism and capitalism in countries like El Salvador is a far cry from the economic system most North Americans are familiar with.



## The Crusaders' Old Prism

By Stanley Karnow

WASHINGTON — To view Washington's growing involvement in Central America is to observe much the same process that propelled the United States into the Vietnam tragedy.

This is not to suggest that Central America is a replica of Southeast Asia. The problems that sparked the rise of the Vietcong bear little resemblance to the conditions that underpin the insurgency in El Salvador. But what is remarkable, in my estimation, is the similarity between President Reagan's rationale for deepening the U.S. commitment in Central America and the motives that prompted his predecessors to intervene in Vietnam.

For just as the decisions to "hold the line" in Southeast Asia were originally portrayed as part of a larger effort to halt the spread of international Communism, so the administration is currently arguing that Central America must be defended against the threat of Soviet aggression designed to create Fidel Castro's throughout the Western Hemisphere.

### 'Ignorance of Realities'

It is probable, as the State Department alleges, that the Russians and their Cuban surrogates supply the rebels in El Salvador and Guatemala with weapons. But leftist forces are gaining ground in those countries less because they receive Soviet hardware than because they offer an alternative, perhaps illusory, to the appalling poverty and repression in the area.

The Reagan administration primarily perceives Central America through the prism of its crusade to contain Soviet expansion, even though the real issues at stake are economic and social.

President Rodrigo Carazo Odio of Costa Rica underlined this point in an interview not long ago. Criticizing Washington officials for their "almost total ignorance of the realities" of Central America, he said: "Their policies respond not to the common interest, but to the exclusive interest of the United States."

An even more disturbing feature of the Reagan administration's approach to Central America, which again summons up memories of the early U.S. commitment to Vietnam, is its apparent belief that military aid is the answer.

That concept recalls the "investment trap" that led to the introduction of American combat troops into Vietnam. It began there with the expedition of a few units, followed by a bigger buildup to protect the initial "investment."

U.S. involvement in Vietnam did not start when Lyndon Johnson landed Marines at Da Nang in 1965, or even when John Kennedy sent out military advisers and equipment three years earlier. It dates back to the days of Harry Truman.

In 1950, after the Communists had taken over China, Secretary of State Dean Acheson persuaded Truman to earmark a paltry \$10 million in secret funds to aid the French, then fighting to retain their colonial possessions in Indochina. Acheson was uninterested in the details of the struggle of the Vietnamese Communists against the French. Despite expert advice, he also disregarded the deep differences between the Chinese and Vietnamese Communists, which have brought them into conflict with each other today.

He saw Communism as a monolith bent on world domination, and it had to be

## Reaganomics III Will Have to Correct Reaganomics II ...

By Hobart Rowen

when asked at the National Press Club how the recovery could proceed in the face of high interest rates, mumbled in his breath: "That's a good question."

Good soldier Reagan, beating the drums for the budget as proposed by the president, labeled as "conservative" the estimate for real economic growth averaging 4.7 percent from 1982 through 1987, because it is lower than the 5.4 percent average recorded in 1961-1966. What Reagan failed to say was that in the 1960s neither the administration nor the Federal Reserve

serve in a bond to a strict monetarist regime that forced interest rates to record highs.

The American Enterprise Institute's William J. Fellner, hoping against hope that the administration will eventually "do the right thing" by raising taxes, pointed out that the Reagan prediction of more than 10-percent growth in the average value of the gross national product over the next five years does not square with his prediction for declining inflation at the same time. "We've never had an expansion [of nominal GNP]

and it didn't work. So here we are at Reaganomics II, which abandons the goal of a balanced budget but sticks with its commitment to the huge tax cut and commitment to the Pentagon.

Lyndon Johnson found out that he could not have guns and butter without inflation. Ronald Reagan cannot have a \$750-billion tax cut and a \$1.6-trillion military buildup at the same time. The nation is in desperate need of Reaganomics III, which will give up something of one or the other. If Ronald Reagan will not write a new script that way, Congress must.

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## ... or a Line in the Dirt May Grow Into a Grave

By David S. Broder

WASHINGTON — It has been a long time since two Republican congressional leaders faced a set of decisions as important as those now facing Senate Majority Leader Howard H. Baker Jr. of Tennessee and House Minority Leader Bob Michel of Illinois.

Baker's father-in-law, Sen. Everett McKinley Dirksen of Illinois, and Michel's predecessors, Charles A. Halleck of Indiana and Gerald R. Ford, had a similar role in the 1960s, when they controlled the fate of civil rights legislation. But they were opposition leaders, responding to the initiatives of Presidents Kennedy and Johnson. It was by rising above partisanship to embrace the cause of equal rights that they distinguished themselves and saved their party from what would have been a historic stain on its record.

Baker and Michel face what may, in some respects, be a more difficult role: to rescue a president of their own party from self-entrapment. You will not find either of these men admitting, for a moment, that this is what they confront. But they know it.

And so do others. It was a top White House legislative strategist who remarked the other day, "Last year it was Ronald Reagan's law. This year it's got to be a Reagan-Baker-Michel year."

In 1982, with a congressional election on tap, the limits of what the president accomplishes will be set by what Republican leaders on Capitol Hill judge to be an acceptable political risk for their members. The Reagan side was admitting that, for all his vaunted persuasive power, Reagan can order no kamikaze missions this year.

But his assumption, expressed on the day the Reagan budget was submitted to Congress, was that Baker and Michel would determine how much of the second-year Reagan program becomes law. I do not think he contemplated that, within a week, the question might be turned around, thus: How much of the Baker-Michel program will Reagan accept?

But that is what has happened. The Reagan budget has flunked its first test of credibility in the financial markets, on Main Street and in the halls of Congress. The deficits — understated though they were — frightened all three of these senators and deepened the doubts about President Reagan's insistence on all of his military spending increases and all of his past and promised tax cuts.

While Reagan was out in the Midwest describing his budget as "a line drawn in the dirt," Baker and Michel were hearing from a steady stream of their colleagues the nervous refrain that unconstructed Reaganism might dig a deficit deep enough to bury all of them and their hopes for long-term Republican rule.

The response from the two Republican leaders was to encourage congressional Democrats to suggest various bipartisan initiatives to reduce the deficit, and to signal appeals to their friends in the administration not to shoot down the exploratory offers.

Baker latched on to a suggestion by Sen. Ernest F. Hollings, the South Carolina Democrat, for a "freeze" on taxes, entitlements and defense that would radically slash the deficit. Michel listened approvingly as dozens of members of both parties suggested reductions in defense, and deferral or rescission of some tax cuts.

The obstacles to a serious congressional initiative on the budget are formidable, but there is one action-forcing element in the situation: By April, the administration will need congressional approval of a debt-ceiling bill much higher than the \$1 trillion limit (if you can call that a limit) now in effect, in order to accommodate the borrowing necessitated by the rising deficits. Without it, the government shuts down.

Neither Baker nor Michel wants a showdown with Reagan. But neither do they want to preside over the liquidation of the most effective Republican congressional contingent the country has seen in years. Resolving that dilemma will test them as never before.

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## Letter

### An Ethiopian Reply

The letter from Somali Ambassador Abdullahi Said Osman (HIT, Feb. 11) is yet another example of his country's propensity to interfere in the internal affairs of Ethiopia, and further evidence of the diversionary tactic to camouflage Somalia's own internal problem, a situation made clear in an article of your Feb. 12 issue.

In Ethiopia's view, it would serve better the interest of his

country if the Somali ambassador advised his president to cease repression of the majority groups of Somalia's population — the Mijerteen, the Hawiye, the Gedebe and the Habarwalde peoples who are fighting for their freedom.

If anyone needs to learn from history, it is Somalia's leadership, which still maintains the expansionist policy that led to Somali aggression against Ethiopia, which, although repulsed, was the cause of much bloodshed, destruction

and suffering, and of the displacement of millions of people.

To set the record straight, the multi-faceted development campaign in the northern administrative region of Eritrea is aimed at economic and social reconstruction and at reconciliation of the peoples of the region with their true and ancient historical identity within the Ethiopian motherland.

TADESSE TERREFFE,  
Ambassador of Ethiopia,  
United Nations, Geneva.

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## Pravda Makes Effort to Smooth Out Differences With Italy Communists

By Dusko Doder

MOSCOW — The Kremlin gingerly backed off during the weekend from a confrontation with the Italian Communist Party by proposing an end to name-calling and urging Italian Communists to support Soviet foreign policy.

The unusual about-face Saturday came three weeks after an earlier denunciation in which the Soviet party virtually excommunicated leaders of the Italian Communist Party from the world Communist movement, citing the Italian "monstrous" and "truly sacrilegious" criticism following the military takeover in Poland.

Pravda singled out Enrico Berlinguer, the Italian party's general secretary, and three other Italian Communist leaders for charges that they had renounced Marxism-

Leninism and "everything that links them" to other Communist parties. The Italian leadership had condemned the Polish crackdown as reflecting a fundamental crisis of the Socialist system.

On Saturday, Pravda referred repeatedly to Mr. Berlinguer and other Italian leaders as "comrades" before concluding that the Soviet party is "not interested in sharpening the polemic, [but] neither will it retreat if a polemic is imposed on it as was the case" with the Italian condemnation of the Polish crackdown.

"It nevertheless is calling on the Italian party to view more seriously the severe and ruthless reality of class struggle in the international arena" at a time of East-West tensions, Pravda suggested that the Italian Communists should struggle "against the aggressive policy

of imperialism, the arms race, against the deployment of new U.S. missiles in Italy."

The new Soviet stand on the Italian view appears to reflect assessments here that continued public arguing with the Italians was not in Moscow's interest and could do more political harm than good for the Soviet bloc.

There was speculation among diplomats here that the shift in position may reflect the departure of Mikhail A. Suslov, the main Soviet ideologue who died last month. Suslov had been known as an unyielding supporter of orthodoxy. His place was taken by Konstantin Chernenko, a Politburo member close to President Leonid I. Brezhnev.

On Saturday, Pravda repeated basic Soviet charges that the Italian party had failed to show "genuine internationalism."

But the sharpest criticism leveled against the Italians was that their actions "do not serve the cause of peace and socialism," which is the mildest form of condemnation in the Soviet party's arsenal.

The Pravda attack of Jan. 24 was described as an act of "defense" against Italian charges and "not an attack on the Italian Communist Party."

Pravda said that since the first article some Italian Communist leaders have stated publicly that the "Italian Communist Party did not even think of denying the role of the Soviet Union in the defense" of peace and the working-class movement. The article said that the Italians have since spoken of Lenin, the founder of the Soviet state, "with much greater respect and much more seriously."

The tone and substance of Saturday's article suggested that the Kremlin hopes to narrow the gap with the Italian Communists or at least to forestall further polemics that could become the topic of discussion among other Communist parties.

It also seems clear that the question of the planned U.S. deployment of new medium-range nuclear weapons in Europe next year remains Moscow's primary concern and that the Italian Communists are expected to play an important role in the protest movement against the deployment.

## Youths Demonstrate In Dresden for Peace

By Peter Millar

DRESDEN, East Germany — Thousands of East Germans, most of them young, took part in a peace demonstration after hearing mild criticism by churchmen of the attitude of Communist governments to disarmament. Unofficial demonstrations are not allowed in East Germany, but there were almost no uniformed police, at the rally.

The demonstrators lit candles and joined hands in a circle on the ruins of a Dresden church Saturday to sing "We Shall Overcome." The occasion was the 37th anniversary of Dresden's destruction by Allied bombers in a World War II raid that killed at least 35,000 people and razed one of Europe's most beautiful cities.

Earlier, 6,000 people in their teens and 20s packed into the Kreuzkirche for a peace forum organized by the Protestant Evangelical Church.

Church officials said they organized the meeting because they wanted to try to contain the growing desire for an active peace movement similar to that in West Germany.

Brenschneider, contrasted the official praise for the West German peace movement's opposition to U.S. missiles with the difficulties in mounting a movement against similar weapons in East Germany. The East German government maintains that only Western missiles are a threat to peace.

Many of the young people criticized the church for not taking a more active role in leading a campaign for disarmament by both East and West. Bishop Hempel reminded them that "the church is not a revolutionary force."

"Berlin Appeal"

The church leaders said, however, that signatures would soon be collected for the "Berlin appeal" of Pastor Reinier Eppelmann — a plea for disarmament, a nuclear-free Europe and withdrawal of Soviet troops from East Germany and NATO troops from West Germany.

Pastor Eppelmann was detained by East German state security for two days following publication of his appeal in a West German newspaper.

Several of the young people said that police had ripped off their peace badges, depicting swords turning into plowshares or carrying the motto "Make Peace Without Weapons." Nevertheless, almost everyone at the church wore such a badge or other improvised peace sign.

The forum lasted until 10 p.m. in the Kreuzkirche, a Baroque masterpiece devastated in the 1945 bombing and replaced in rough-hewn stone as a reminder of its destruction.

Then, as every year, the bells tolled the hour when the attack began. While plainclothes state security men who were present tried to look inconspicuous, people old and young lit candles and sang, "We shall overcome... We are not afraid... Truth will make us free... We shall live in peace someday."

A Dresden youth pastor, Harald

of imperialism, the arms race, against the deployment of new U.S. missiles in Italy."

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## Lévesque's Stand Backed by Party

MONTREAL — The pro-independence Parti Québécois voted by an overwhelming majority in favor of Premier René Lévesque's moderate stand on Quebec secession during a bitter debate on the future of the French-speaking province.

The vote, calling for Quebec's secession if the PQ obtains a majority of votes in the province's next parliamentary elections, scheduled to be held in four years, came Saturday on the first day of a two-day party convention.

Quebec's ruling party rejected its previous stand, adopted at a party convention in December, calling for an immediate declaration of independence if it wins a majority of seats in the elections. Mr. Lévesque had threatened to resign the party leadership unless the stand was rescinded.

## Yemen Says Terrorists Held in Bombing Plot

ADEN, Southern Yemen — Security forces have arrested terrorists allegedly sent by a foreign country to bomb economic and oil installations in Southern Yemen, according to a statement from the government.

The statement Saturday did not reveal the number or nationality of the alleged terrorists. But it said they will be tried soon on charges stemming from the alleged sabotage plot.

## 2d Hearing Ordered in Move to Halt U.S. Payment Plan for Poland's Debt

WASHINGTON — A judge has refused a request for a 10-day halt on the Reagan administration's plan to use tax revenue to pay part of Poland's debts, but he ordered another hearing on a lawsuit to a block the program.

U.S. District Judge Oliver Gasch ruled Friday that the government could go ahead for now with the plan, which is designed to ensure that U.S. banks get their money without throwing Poland into default.

He told lawyers for the government and the Capital Legal Foundation, a public interest law firm that contended in a suit that Po-

land must be declared in default, to appear in court again Feb. 23 for oral argument, so that he can decide whether to issue a long-term preliminary injunction.

The administration proposed Feb. 1 that the Commodity Credit Corp., an Agriculture Department agency, pay \$71.3 million to 10 U.S. banks and two exporters owed that amount by Poland. The program shifts the burden of collecting the loans from the banks to the U.S. government.

The \$71.3 million is part of \$1.6 billion in loans to Poland made or guaranteed by the Agriculture Department to finance the purchase of American grain.

## U.S. Coal Industry Worried by Soviet Pipeline

WASHINGTON — The U.S. coal industry has warned the Reagan administration that the construction of the multibillion-dollar Soviet natural gas pipeline could threaten the growth of American coal exports to Western Europe and hurt the United States' mining industry, railroads and ports.

The warning was made last week at a meeting between representa-

tives of the coal industry and the 10 agencies that make up a government task force on coal policy.

At the same time, it was learned, the State and Commerce departments have told the Interstate Commerce Commission that they oppose deregulation of rail rates for shipment of coal. The agencies reportedly argued that such a deregulation would raise coal prices at a time when the United States is trying to persuade its European allies to use U.S. coal rather than Soviet natural gas.

The administration is in the final stages of resolving a major internal dispute over U.S. policy on the planned Soviet pipeline, the largest East-West project in history.

The pipeline issue has opened up sharp divisions between the U.S. government, which opposes the project, and the European allies, which look to the project to stimulate the equipment export business and create jobs in the short run and to provide new sources of energy by the middle of the decade.

peans would be better off politically and economically using non-Soviet sources of energy.

In a brief filed Dec. 21 in connection with the ICC deregulation case, the State and Commerce departments said:

"The United States has attempted to convince its friends and allies that U.S. coal represents an energy source that is preferable to oil from unstable Middle Eastern states, gas from the USSR or coal from South Africa or Poland... The question of future energy sources is crucial to the economic strength of the West."

Rep. Mario Biaggi, Democrat of New York and chairman of the House merchant marine subcommittee, has introduced a bill that would pay for deepening six ports so they could handle a significant increase in coal exports.

The United States has always sold substantial amounts of coal in Europe, primarily metallurgical coal used in the steel industry.

However, coal exports to Western Europe rose dramatically after 1978 as a result of rising oil prices and erratic coal production in Poland, the main competitor to U.S. exports.

U.S. and European banks to which Poland owes money are counting on revived Polish coal exports to raise the foreign currency needed to pay off those debts, even as the United States is trying to increase its share of the West European coal market. The U.S. share reached 60 percent in 1981.

Connie Holmes, vice president of the Washington-based National Coal Association, said the industry has calculated that the new Soviet gas, when delivered to Western Europe, would be equivalent to an additional 90 million tons of coal.

She said the United States, with one-fourth of world coal reserves, could easily supply that amount, once U.S. ports and harbors are improved to handle the increased volumes.

## Onassis Charity Withdraws Threat In a Tax Dispute

ATHENS — The Onassis Foundation withdrew a threat to reconsider its philanthropic programs in Greece after ending a dispute with the Greek government over a tax claim against the shipping heiress Christina Onassis, a foundation spokesman said Sunday.

Stelios Papadimitriou, Miss Onassis' lawyer and secretary-general of the foundation set up by the shipping magnate Aristotle Onassis, said the government had admitted there was no legal decision on any tax due by Miss Onassis, but "only a claim subject to judicial determination."

On Tuesday, the foundation said the government gave a picture through state-controlled news organizations of scandal and fraud over an alleged failure by Miss Onassis, president of the foundation, to file an inheritance tax return for 2.7 billion drachmas (\$45.5 million) after her father's death in 1975.

U.S. Restricts Exports

On Dec. 30 President Reagan announced that the United States was prohibiting export of American-built turbine rotors and piping equipment needed for the project.

In the next few days he is expected to decide whether to try to extend those sanctions to European companies manufacturing equipment for the Soviet pipeline under U.S. licenses, a step that would delay the project but also would produce a clash with the allies.

At the heart of the administration's argument is that the Euro-

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## Economic Issues Cited In Slowdown in Return Of Greeks From Exile

New York Times Service

ATHENS — The flow of Greek political refugees returning from Communist Eastern Europe has virtually halted, and leaders of refugee groups say that economic hardships the refugees would face here are largely to blame. The leaders accuse the Socialist governments of Greece and the Communist governments of Eastern Europe of creating difficulties for the refugees by breaking promises made to them.

Nearly 22,000 refugees have returned to Greece since 1974, but about 38,000 Greeks and their dependents remain in the Eastern bloc, to which they fled in 1949 after the defeat of the Communists in the Greek civil war. About 6,000 who have received approval to return are not taking advantage of it.

"The Greeks remaining in Eastern Europe see that those who returned have fallen into a vicious circle created both by Greek governments and the Communist countries," says Dimitrios Papadimitriou, president of the Central Committee of Greek Political Refugees.

"They have realized that it is pointless to return unless their economic problems are resolved," he said. "Therefore, they have given up trying, and the homeward trail has all but stopped."

Fears of Reaction

Original objections to the mass repatriation of the refugees included fears that they would aggravate unemployment and social problems or set off violent reactions from rightists who had suffered in the civil war.

Such fears have proved unfounded. Nevertheless, since 1974, when repatriation began after the fall of the rightist military regime, Greece has allowed refugees to return only after a slow and careful screening of applicants.

The refugees say that one of their greatest disappointments is that the Socialist government of Premier Andreas Papandreu, who was elected last October, has not fulfilled its pledge to resolve the problem within three months through a blanket approval for the return of all refugees and intensified efforts to convince the Communist bloc to compromise on the economic issues involved.

Pension Issue

Long negotiations have failed to bring agreement on the transfer of pensions to the refugees. Their plight is in contrast with that of U.S. citizens of Greek origin who have their pensions transferred when returning to Greece.

The East European governments argue that the country where a refugee finally settles should provide

a pension. They also claim an inability to transfer money in hard currency.

Greece argues that the pensions should be paid by the Communist countries, where the refugees lived and worked most of their lives, and that the refugees should also have the right to transfer their bank deposits. The refugees themselves propose a compromise, whereby each country will contribute pension payments proportionate to the years lived there.

Greece has agreed to grant free medical care and to give 1,000 drachmas, about \$17, to each arriving refugee. Through the United Nations High Commissioner for Refugees, it also provides a further maximum of 35,000 drachmas, or \$600, for the transportation expenses of each repatriated family.

On returning to Greece, many find that their former homes and properties have been given to others by previous governments, and hundreds of court cases are under way to resolve such disputes.

## Papers in China Say Deng Remains An Active Leader

WASHINGTON POST SERVICE

PEKING — Weekend reports in official Chinese newspapers portrayed Deng Xiaoping in an active leadership role, apparently seeking to dampen speculation about his disappearance Jan. 12 from public view.

Meanwhile, reliable Peking sources said Mr. Deng, deputy chairman of the Communist Party, is presiding over a high-level party meeting here to prepare a campaign to reduce the central bureaucracy by up to one third of its 600,000 employees.

The China Daily, an English-language newspaper widely circulated among foreigners, quoted Deputy Premier Bo Yibo as praising Mr. Deng and repeating Mr. Deng's characterization of the bureaucratic reduction as "another revolution." Mr. Bo said talk of a purge was "entirely groundless."

Noting Mr. Deng's role in inspiring the cutbacks, Mr. Bo said, "Of course, a considerable number of old cadres will be retired from active duty, some will move back to what we call the second line."

He apparently sought to clarify recent remarks by Deputy Premier Wan Li, who said Mr. Deng had "withdrawn to the second line" of leadership.

The People's Daily reported that Mr. Deng, who is chairman of the military affairs commission, recently instructed the army to guide a national reforestation drive.

## Archaeologists Discover Remains Of About 20 Victims of Vesuvius

New York Times Service

ERCOLANA, Italy — Archaeologists have recently found the remains of about 20 people who died in the eruption of Mount Vesuvius that devastated Pompeii and Herculaneum 1,903 years ago.

The searchers uncovered two groups of skeletons, perfectly preserved to the eye but brittle to the touch. One group contained about eight human skeletons and the skeleton of a horse, which apparently crushed its rider.

The bones of other people were scattered nearby. Prof. Giuseppe Maggi, the archaeologist in charge of excavations in the Vesuvius area, said that he thought the victims in that group might have been borne away by a tidal wave and returned, already dead, by the succeeding undertow.

Prof. Maggi believes that the discoveries confirm his theory that historians were wrong when they assumed the people of Pompeii died while those of Herculaneum managed to escape by sea. In Prof. Maggi's view, a wall of volcanic mud descended quickly and those still in the lower part of Herculaneum, seeking safety at the seaside, were caught between it and a tidal wave caused by an earthquake.

In the grotto adjoining the skeleton of the horse, in an almost circular disposition, is the second group of skeletons: seven adults, two adolescents and three children. They lie on their backs, their arms upraised as if to ward off the mud. One adult skeleton, probably that of a woman, lies atop that of a child whom she was probably trying to protect.

Prof. Maggi concluded by the condition of their surroundings and the disposition of the human remains that the group, probably a family, sought shelter in the vault facing out to the sea from the fire and ash that the volcano's eruption was spreading through the settlements at its foot.

But Prof. Maggi believes that death struck from the sea when a huge wave of mud swirled into the vaults and crushed the people.

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## U.S. Regulators Poised to Agree On Stock Index Futures Trading

**WASHINGTON** — U.S. financial-market regulators are expected to lay the groundwork this week for a new species of investments based on popular stock indexes.

Investors would be able to speculate directly on the stock market by purchasing "stock index futures contracts" or "stock index options." Investors using the new investments will stand to gain or lose much larger sums of money relative to their initial investment than with other financial instruments.

In effect, stock index futures and options will permit an investor to sign an agreement to buy a group of stocks at current prices and pay for the stocks when they are delivered sometime in the future. If the value of the stock portfolio goes up before the contract comes due, the buyer makes money. If stock prices fall, the buyer loses.

Because of the small down payment, stock-index speculation will be much more profitable than buying shares themselves. If the value of a stock index climbs from \$63,000 to \$70,000, someone who owned those stocks would make a \$3,000 profit or just under 8 percent. But a \$5,000 gain on a \$4,000 investment in a stock index futures contract would be a 125 percent profit.

Barring a last-minute hitch — and several are possible — the first stock market index futures contract is expected to be approved Tuesday by the Commodity Futures Trading Commission. Pending at the Securities and Exchange Commission are several proposals for options based on a stock index.

The CFTC regulates futures trading. The SEC oversees the stock and options markets. Because stock index futures fall between the jurisdictions, the two agencies fought for four years over how to regulate them.

After they were appointed by President Reagan last year, SEC Chairman John S. R. Shad and CFTC chief Philip M. Dineen negotiated a truce and began clearing the backlog of pending proposals from the options and futures industries.

The regulators' plans could be thwarted or delayed, however, by opposition from Congress and the Federal Reserve Board.

Warning that stock index speculation is nothing more than a way to gamble on the stock market, Rep. John D. Dingell, Democrat of Michigan, introduced legislation Thursday to impose a six-month moratorium on any stock index speculation. Rep. Dingell's House Financial Institutions Committee, which oversees the SEC, plans to hold hearings on the issue as do House panels headed by Rep. Timothy E. Wirth of Colorado and Benjamin S. Rosenthal of New York, both Democrats.

The congressional critics contend the Reagan administration regulators are giving birth to a financial Frankenstein that will trap unsophisticated stock buyers by promising them big profits without revealing the risks. Both Rep. Rosenthal and Rep. Dingell last week urged the Federal Reserve Board to assert its authority to determine the size of the down payment, or margin, that will be made on stock index futures contracts.

The Federal Reserve sets margin requirements for purchases of stocks, bonds and stock options. Until stock index futures were invented, the Fed had never claimed jurisdiction over futures contract margins. Not even the CFTC sets commodity margins now, as futures margins are set by the commodity exchanges themselves, which regard the power as vital to their independence.

More than a year ago the Fed warned the CFTC that it planned to set margins for any stock-index futures, and that if the CFTC does create them, it should first give the Fed six months to decide how much the margin should be.

Reps. Dingell and Rosenthal insist the Federal Reserve must have authority to set the margins to maintain equity with stock futures options. If the down payment on stock index futures is lower than the margin on stocks or options, money will be drained away from the stock market, they contend.

Though he has settled other differences with the CFTC, SEC Chairman Mr. Shad insists that "directly competitive instruments should not be subject to different requirements in terms of margin."

Messrs. Shad and Johnson met Thursday with Fed Chairman Paul Volcker but failed to resolve the impasse. If the Fed sticks by its guns and imposes margins, either the commodity exchanges or the CFTC is certain to challenge the action in court.

The issue could come to a head on Tuesday, when the CFTC is scheduled to vote on a staff recommendation to approve an application by the Kansas City Board of Trade to start selling Value Line Futures, a futures contract based on the Value Line Index of 1,700 stocks.

Approval of the Value Line Futures plan would open a floodgate at the CFTC, where 17 other unconventional futures contracts are awaiting approval.

The SEC has under consideration another 18 applications for trading new kinds of options that will work in the same way as stock market futures.

The key difference between an option and a futures contract is the amount of money the investor can lose.

A futures contract is a binding obligation to buy

(Continued on Page 9, Col.1)



Donald F. Ephlin, head of the UAW's Ford department, showed confidence before going into the final rounds of talks.

## BIS Says Euromarket Resumed Steep Growth

**By Carl Gewirtz**  
*International Herald Tribune*

**PARIS** — The expansion of the Euromarket, after having stalled in the second quarter of last year, resumed its torrid pace in the third quarter, data from the Basel-based Bank for International Settlements shows.

The renewed growth is especially noteworthy, as OPEC countries, whose deposits of oil revenues in major Western and Japanese banks have helped fuel the Euromarket's expansion, ceased being a net supplier of cash and — for the first time since 1978 — borrowed more than they deposited in the three months ended last September.

BIS noted there was "a very sharp acceleration" of \$76.1 billion in reporting banks' gross external assets — the widest measure of the market — to \$1.42 trillion, compared with the nearly \$3-billion decline in the second quarter. Gross external assets include lending to final users, plus a string of interbank lending that results in double-counting of funds.

Part of the third-quarter increase can be attributed to the distortions resulting from exchange-rate movements (the dollar increased substantially until mid-August), but even after adjusting the figures to reflect this, the BIS puts the increase in gross assets at \$71.2 billion, compared with an adjusted rise of \$39.7 billion in the second quarter.

For the first nine months of last year, the BIS notes that "the underlying growth of international credit intermediated by the reporting banks may be put at \$110 billion, compared with a figure of \$115 billion for the corresponding period of 1980."

The third-quarter expansion was fed by "substantial net outflows of funds from the non-bank sector in the United States," the report states. BIS officials had no ready explanation why deposits by U.S. corporations rose some \$11 billion — "one of the largest quarterly increases ever recorded."

OPEC deposits with the banks declined \$700 million in the third quarter while borrowing rose to \$2.4 billion, making the oil cartel nations net takers of funds to the tune of \$3.1 billion. Overall, however, deposits from OPEC members (\$157.3 billion at the end of September) still dwarf their borrowings (\$68.5 billion).

OPEC apart, countries outside the reporting area increased their deposits with the banks by some \$6 billion, compared with a decline of \$600 million recorded in the second quarter.

The Soviet Union, for example, which reduced its deposits by 35 percent in each of the first two quarters of last year, increased by 25 percent the amount left on deposit at the end of September. At the same time, the Soviet Union increased its borrowing almost 9 percent in the third quarter (following small gains of 4 percent and 2 percent in the first two periods, respectively).

Overall, Eastern Europe owed the banks a net \$48 billion in September, up from a net \$44.2 billion at the end of 1980.

## UAW Pact With Ford Offers Wide Protection to Workers

**By Donald Woutat**  
*Los Angeles Times Service*

**DEARBORN, Mich.** — Ford Motor and the United Auto Workers union agreed Saturday on a new labor contract that would provide financial relief for Ford and wide-ranging protection for workers.

Ford won a 30-month wage freeze, deferred cost-of-living increases and a two-week reduction in paid time off. In return, the union won a precedent-setting promise of a lifetime paycheck as protection against layoffs for tens of thousands of veteran Ford workers.

There was no immediate indication of how much money the agreement would save the troubled auto company. The agreement is subject to ratification by Ford's 170,000 hourly U.S. workers.

"We believe the agreement represents a major achievement in terms of providing UAW members at Ford with greater job security," UAW President Douglas Fraser said.

Highlights of the settlement include:

- A freeze in base wages until Sept. 14, 1984, when the new pact would expire.
  - A nine-month deferral of cost-of-living increases tied to the inflation rate.
  - A "guaranteed income stream," starting at 50 percent of base pay until retirement age, for any worker who loses his job after working at least 15 years at Ford.
  - A profit-sharing plan beginning in 1983. However, the plan is based on profits of Ford's U.S. operations only, which are not expected to be profitable for some years.
  - An automatic reopening of the contract if Ford's car sales reach 1977-78 levels during the agreement, which analysts consider unlikely.
  - A two-year moratorium on any plant closing that would result from a decision to buy parts from outside Ford.
  - A pledge to "make every effort" to replace any jobs lost by such so-called "out-sourcing" actions.
- The tentative settlement will be presented Wednesday in Chicago to 225 local union leaders from around the country, who will decide whether to recommend the agreement to Ford's 170,000 rank-and-file U.S. workers, who must ultimately ratify it.
- The leaders of the Ford union locals generally have supported concessions to the No. 2 automaker, in sharp contrast to widespread opposition at that level that was blamed for killing similar negotiations at General Motors last month.
- The difference stems from Ford's greater financial difficulties. GM managed a \$333 million

profit last year, a substantial turnaround from 1980's \$763 million loss. Ford's expected loss for 1981 will push the company's losses over two years to nearly \$3 billion, and its U.S. car and truck operations reportedly have lost far more than that.

The proposed lifetime-income promise, long a goal of the U.S. labor movement, would bring the auto industry a step closer to the "lifetime employment" practices of Japan and Western Europe, which is often credited with enhancing worker loyalty and productivity among foreign automakers.

Because employment is so closely linked to the fluctuating levels of car sales and production, the U.S. auto companies have said they cannot guarantee anybody a job for life. But Ford believes it can afford to guarantee a paycheck, partly because the company believes that the most severe job losses have already occurred in the auto industry.

The agreement also would create three different labor agreements

among the Big Three automakers, a first in modern times.

Chrysler won three rounds of concessions worth \$1.3 billion from the UAW starting in September, 1979 under pressure from Congress and, later, from the federal board that has guaranteed \$1.2 billion in loans to avert Chrysler's bankruptcy. The concessions have left Chrysler's hourly labor costs some \$2.65 an hour below Ford and GM, a gap that in GM's case will widen by next September when the current UAW contract runs out.

To Ford's chagrin, Chrysler has used the cheap labor advantage to underprice its competitors by \$300 to \$900 per car, not counting rebates that have been in effect for more than a year. The pricing has given Chrysler a larger share of the market.

It was not immediately clear how a settlement at Ford would compare in Chrysler in labor costs. But it would ease the pressure on Ford car and truck prices and would enable them to cut or freeze prices of certain vehicles.

## U.S. Auto Negotiations Look Familiar to Japan

**By Steve Lohr**  
*New York Times Service*

**TOKYO** — To Ichiro Shioji, the contract talks between the United Automobile Workers Union and the major U.S. automakers have a familiar look.

The key issue in the negotiations — trading wage-and-benefit concessions for job security during a period of economic adversity — is the same one Japan dealt with successfully three decades ago.

"The situation is somewhat similar," Mr. Shioji, 55, president of the Confederation of Japan Automobile Workers' Unions, said.

What is often overlooked is that the comparatively smooth labor-management relations in Japan today — which had their genesis in the 1950s — followed an arduous wave of confrontations, strikes and lockouts.

Indeed, history does not support the view, widely held in the West, that dealings between workers and bosses in Japan have always been a model of harmony, the result of cultural factors peculiar to Japan.

The features of Japanese industrial relations that Westerners eye with such envy — the constant consultations between labor and management, the absence of strikes and the ease with which automation and other productivity-enhancing changes are instituted — have often been the result of hard bargaining.

No one expects that Japanese-

style lifetime employment or loyalty to the company can be emulated, but many business executives, labor leaders and economists contend that greater labor-management cooperation and job stability are needed if American industry is to be competitive with that of other nations.

Accordingly, labor-management relations in Japan are now being closely studied by Americans and others. And no one has had a more central role in shaping those relations than Mr. Shioji.

For the past two decades, Mr. Shioji has been president of the Nissan union, which now has 220,000 members. In 1972, he became head of the umbrella organization that links the powerful company unions in this nation's largest industry, the Confederation of Japan Automobile Workers' Union, which has more than 600,000 members.

Mr. Shioji, who attended the Harvard Business School for a year at the invitation of the U.S. government, is known as an internationally minded labor leader whose stands on issues are often controversial.

For instance, he was an early advocate of Japanese auto companies producing vehicles in the United States as a way of easing trade tensions. This notion has been highly unpopular with some factions of the Japanese labor movement, who

(Continued on Page 9, Col. 4)

## Market Stunned by Reagan Budget, Fed Plans

**By Carl Gewirtz**  
*International Herald Tribune*

**PARIS** — The Euromarket market reacted with stunned silence last week to President Reagan's budget message (deficits for the foreseeable future) and Paul Volcker's testimony to Congress on how the Federal Reserve would conduct its monetary policy (continued restraint).

The "inherent conflict" between the two, a source of anxiety to analysts on both sides of the Atlantic, had only the faintest echo in the bond market: a perceptible rush of money into foreign currencies, instruments that are widely regarded as the safest refuge in times of uncertainty about the direction of interest rates.

As a result, Sweden was able to increase to \$650 million from an initially indicated \$400 million the size of its offering — ranking it as the largest issue ever floated (not including zero-coupon issues where the actual cash layout by investors is a fraction of the face value of the issue).

Sold in denominations of \$10,000, Sweden's FRNs pay interest set at a quarter of a point over the average of the bid and offered rates for six-month Eurodollar deposits. A minimum coupon of 5 1/4 percent is guaranteed. Investors can hold the seven-year notes to maturity or can ask to be redeemed after five years. The borrower can call the issue any time

after next year at no penalty to itself.

Denmark, as part of its \$800-million financing currently under way in the syndicated loan market, is offering \$100 million of 10-year FRNs with interest set at 5 1/4 point over the six-month offer rate — which is fractionally more generous than Sweden's terms.

This paper is really intended for the banks participating in the syndicated loan, as it offers them one way to increase the overall profitability of that operation. Thus, it is

### EUROBONDS

with some bitterness that banks claim they are not being offered a slice of the FRN on a pro rata basis to their share in the syndicated loan.

France's Caisse Centrale de Cooperation Economique is offering \$100 million of 20-year FRNs with interest paid quarterly at 3/4 point over the mean of the bid-offered interbank quote. The coupon is guaranteed to be no lower than 5 1/4 percent and is also being sold in minimum denominations of \$10,000.

There are two deals on offer that are aimed only at banks or major investment institutions.

Oesterreichische Kontrollbank, guaranteed by Austria, is offering up to \$100 million of five-year floating rate deposit notes. These differ from FRNs in that pur-

chasers can require OKB to redeem the notes at the end of each interest period — in this case every three months. Any paper purchased can be subsequently resold. Interest will be set at a quarter-point below the bid rate for three-month Eurodollars, however — "the notes are being placed on a yield basis in line with market conditions," managers report — meaning the notes will be offered at a discount.

Alcoa Australia is offering \$100 million of eight-year commercial paper offered for periods of three or six months. Interest will be set at the London interbank offered rate. However, Alcoa will pay a placing commission of 3/4 percent annually. This will be paid to banks which bought the paper, although they are free to sell the paper. Lead manager Credit Suisse First Boston says it will maintain a secondary market in the issue. The banks will also be offered participation fees ranging from 1/4 percent (on a take of \$2.5 million) to 3/4 percent (on a take of \$10 million).

The uncertainty about the direction and level of interest rates was not helped by the late Friday report from the New York Fed that the U.S. money supply rose \$2.3 billion in the latest week. This was a bit of a shock, as most analysts had been expecting at worst no change and at best a modest decline. The news, however, left analysts divided over whether it por-

tended any tightening in Fed policy.

The optimists noted that Mr. Volcker indicated in his congressional testimony that the Fed was prepared to tolerate some overshooting in M-1 growth as a considerable amount of this was due to the distortions arising from people shifting funds into checking accounts which pay interest and does not reflect stepped-up demand for money.

About half of the latest week's increase, analysts said, could be attributed to the shift to so-called NOW accounts.

The pessimists, of course, were less sanguine, worrying about a big \$2.2-billion increase in business loans and mounting pressure on the Fed to increase its discount rate.

Even before the Fed figures were made public, bankers were rather surprised at the decision of Continental Illinois, a triple-A credit, to issue \$100 million of seven-year bonds at par bearing a coupon of 13 1/4 percent. The bond is non-callable for the first four years and after that redeemable at 101 percent, declining by half a point each year to par. The terms are considered very aggressive, especially in light of the disappointing money supply figures.

By contrast, Citicorp sold \$200 million of five-year notes in New York last week priced to yield

(Continued on Page 9, Col.1)

### CURRENCY RATES

Interbank exchange rates for Feb. 12, 1982, excluding bank service charges.

	U.S.	£	DM	FF	Y	Sw.	S	Sc.	N.
Amsterdam	2.155	4.275	19.62	2.22	0.205	4.69	12.29	22.45	
Bremen (to)	40.49	14.523	17.035	6.72	3.195	15.325	21.236	53.725	
Frankfurt	2.287	4.385	19.67	2.22	0.205	4.69	12.29	22.45	
London (to)	1.285	4.2815	19.67	2.22	0.205	4.69	12.29	22.45	
Milan	1.2715	2.2535	52.03	20.87		66.26	31.28	63.48	143.88
New York	4.65	11.779	22.64	2.22	0.205	4.69	12.29	22.45	
Paris	1.915	4.314	19.635	2.22	0.205	4.69	12.29	22.45	
Zurich	1.229	2.2595	2.499	6.717	1.265	2.443	41.712	1.907	8.918

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Source: Reuters 13071 (to 13071). (1) Commercial trans. (2) Amounts needed to buy one pound. (\*) Units of 100. (1) Units of 1,000.

## Mexican Credit Is Well-Received

**By Carl Gewirtz**  
*International Herald Tribune*

**PARIS** — Mexico launched its first jumbo bond of the year last week to wild applause from the international banking community.

The \$2-billion operation for Pemex will run for four years and lenders will have the choice of renewing it for a second four years for a quarter-percent renewal. Pemex is offering to pay interest set at 4 1/4 point over the London interbank rate or 3/4 point over the prime rate of U.S. banks.

The loan is being syndicated as a four-year instrument and on that basis the terms look extraordinarily generous. By contrast, Mexico's agricultural development bank earlier this month paid a margin of 3/4 point over Libor for eight-year money.

However, the "voluntary" renewal clause may be more cosmetic than real. For while the banks are given the choice to renew or not, the facts of life are such that any bank that does not renew is probably unlikely to ever do any business in or with Mexico again.

So it really is an eight-year loan. But even on that basis, the terms still look good to bankers. Fees are described as "pretty generous" and the quarter-point renewal fee adds to the overall return that one lead manager estimated at "well over 1 1/4 percent."

Further evidence of a tightening market is the fact that there is now only a 1/4 point difference between the Libor and prime pricing compared to the 1/2 point differential that Banco Rural paid last month. The narrowing of this differential is exactly the opposite of what financial experts of many developing countries had been hoping to achieve. As prime is an administered rate already containing a profit element, borrowers had been hoping to widen the differential between the two prices.

"It's very attractive pricing," enthuses one participant. Remarks like that are echoed throughout the market. Part of this excitement may simply be relief that Pemex did not try to use its influence as Mexico's premier borrower to pay less than Banco Rural, which some bankers close to the deal had been anticipating. Pemex ranks so high

### SYNDICATED LOANS

with banks because it generates other business for them.

One manager, explaining why Pemex did not fight for tighter terms, said: "They've got to be generous to raise \$2 billion. They definitely want a success and they are going to have it."

He estimated that Mexico will need to raise \$20 billion this year, almost \$1 billion per month, and up sharply from last year's estimated take of some \$13 billion.

"They're getting smart," observed another manager. "With their requirements they can't be too picky and dime" on terms but have to pitch conditions to appeal to lenders. "Don't forget, \$2 billion is just the beginning."

In fact, only \$1 billion of the

loan is "new" money, the remainder representing a consolidation of short-term debts already outstanding. Citicorp is agent for the loan and it along with Credit Lyonnais, Industrial Bank of Japan, Manufacturers Hanover, Arab Banking Corp. and Banco Nacional do Mexico are "coordinators" of the loan. In all, 20 co-lead managers are being sought to underwrite \$100 million each.

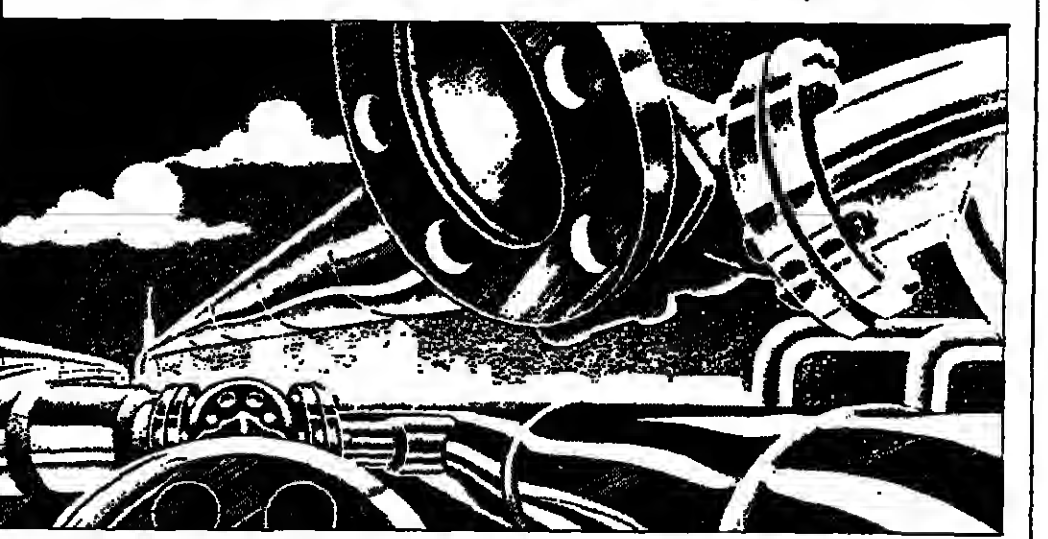
The other expected jumbo, a \$1-billion, Arab-manged loan for Venezuela, appears to be held up by the government's unwillingness to accept the proposed terms — a 3 1/4-year loan with interest set at 3/4 point over Libor sweetened with a commitment fee of 3/16 percent.

Four competing groups are due to submit bids this week to manage Spain's coming \$500-million loan, and with the offers not even completed yet the market is already grumbling. There appears to be widespread agreement that a 10-year loan could not be syndicated and great fear that Spain will seek just that.

"That long a maturity would have a very detrimental effect on the marketing, far in excess of whatever benefit Spain will get

(Continued on Page 9, Col.1)

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Combined asset strength	September 30, 1981			September 30, 1980		
	US\$ millions	in %		US\$ millions	in %	
Corporate premises, furniture, equipment						
Companies carried at equity in net assets	119.50	298.32	19.3	82.07	282.23	21.7
Investment portfolio	326.25	21.2		340.01	6.3	
Other financial fixed assets	<u>46.67</u>	<u>3.0</u>		<u>18.09</u>	26.1	
	492.42		31.9	440.17	<u>1.4</u>	33.8
Railroad equipment	295.95		19.2	284.84		21.9
Land and real estate developments	79.13		5.1	82.97		6.4
Receivables	79.91		5.2	35.64		2.7
Cash and equivalents	23.13		1.5	24.05		1.8
Other assets	34.99		2.3	46.29		3.6
Current banking and financial assets	21,684.14			17,648.16		
Less: Current banking and financial liabilities (21,445.91)				<u>(17,543.26)</u>		
Net current banking and financial assets	238.23		15.5	104.90		8.1
Combined assets	1,542.08		100.0	1,301.09		100.0
Less: Short-term debt	<u>(257.60)</u>		(16.7)	<u>(134.30)</u>		(10.3)
Capital invested	1,284.48		83.3	1,166.79		89.7
Less: Long-term debt	<u>(388.60)</u>		(25.2)	<u>(270.30)</u>		(20.8)
Net assets	895.88		58.1	896.49		68.9
attributable to Groupe Bruxelles Lambert SA	485.28		31.5	484.75		37.3
attributable to minority interests	410.60		26.6	411.74		31.6

[illegible]

	Net assets				Cash-flow		Net income	
	GBL		others		GBL		GBL	
	80/81	79/80	80/81	79/80	80/81	79/80	80/81	79/80
Banking and leasing	39.4	39.4	60.6	60.6	45.6	45.3	54.4	54.7
Broadcasting	44.3	51.7	55.7	48.3	63.0	49.8	70.0	50.2
Railroad cars and containers	87.8	73.2	12.2	26.8	90.1	77.0	9.9	23.0
Real estate in Belgium	100.0	-	-	-	100.0	-	100.0	-
United States	99.3	100.0	0.7	-	101.0	100.0	101.0	100.0
Energy	52.7	86.6	47.3	13.4	53.3	81.3	46.7	18.7
Other segments, non-allocatable liabilities and expenses	(24.0)	25.2	124.0	74.8	-	-	-	-

	1980/81	1979/80
Europe	90%	91%
Belgium	38%	36%
Luxembourg	15%	18%
West Germany, Switzerland, Austria	25%	16%
France	9%	12%
Other European countries	3%	9%
America	7%	8%
Africa	3%	1%

By business segment			By country		
	US Dollars			US Dollars	
	80/81	79/80		80/81	79/80
Banking and leasing	42.16	37.05	Europe	96.31	104.68
Broadcasting	19.64	23.41	Belgium	36.35	32.73
Railroad cars and containers	21.13	31.97	Luxembourg	28.25	30.17
Real estate in Belgium	10.91	13.64	West Germany		
United States	16.98		Switzerland, Austria	32.45	26.67
Energy	10.62	11.56	France	10.60	14.29
Other Segments	(0.12)	3.57	Other European countries (11.34)	0.82	
			America	19.74	13.26
			Africa	5.27	3.26
	121.32	121.20		121.34	121.20

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## U.S. Panel Votes Against Gold Standard

By Caroline Atkinson  
Washington Post Service

WASHINGTON — After seven months of deliberation, the Federal Gold Commission has tentatively voted against a return to the gold standard, a move some of President Reagan's supply-side supporters insist is the only way to bring down interest rates and inflation.

The commission's preliminary vote came just days after the Reagan administration, in the president's economic report to Congress, said, "The evidence does not suggest that (the gold standard) achieved greater stability in price levels or growth." Most economists oppose a return to a gold-backed dollar.

However, the commission did agree tentatively Friday that Congress and the Federal Reserve should study the merits of some kind of money rule — albeit not gold-linked — in order to slow the growth of money and ensure a steady reduction of inflation.

Also voted in favor of creating a new gold coin — perhaps called an American Eagle — to be sold by the Treasury Department at a small margin over the gold price. The commission, in its draft proposal, recommended that the gold coin be exempt from capital gains tax and sales taxes, but that it not be legal tender and have no dollar denomination.

The 17-member commission, chaired by Treasury Secretary Donald T. Regan, was created by a 1980 act of Congress to study the potential role of gold in the money system, but it began work only last July.

A final draft incorporating Friday's decisions is to be considered at a meeting on March 12. There was some confusion Friday about precisely what language had been adopted amid a welter of amendments to the draft recommendations.

As the commission includes some fervent advocates of a return to the gold standard and some equally fervent opponents, its sessions have often been stormy.

However, Jerry Jordan of the president's Council of Economic Advisers expressed pleasure Friday at a "remarkable convergence" in the end "around the gold coin and the money rule" study.

A supply-sider, Rep. Jack Kemp, Republican of New York, who has urged a return to a gold standard, said, "The issue is not dead." He said the poor performance of the economy and the decline of the financial markets would force the president to turn toward gold in the next few months.

Henry Wadsworth, a member of the Federal Reserve Board, argued that the commission was out set up to study the whole of monetary policy and would be exceeding its charter if it took Congress to study a rule. Monetarists tend to favor such a rule, which would lay down how much the money supply should be allowed to increase, rather than leaving it up to the Federal Reserve to determine.

The commission also adopted a draft recommendation in favor of revaluing the nation's gold stock at market prices over a number of years. This would have the effect of greatly increasing its value. However, the government should not use this extra paper wealth to finance spending, members agreed.

## U.S. Car Talks Familiar to Japan Unions

(Continued from Page 7)

say it amounts to conceding job losses for Japanese workers.

Mr. Shioji is viewed as a key figure in the Japanese labor movement's right wing, those whose positions seem most friendly to management. But few of his critics argue that his general tenet — the need for management and labor to cooperate for the good of both — is a mistake. Instead, they charge that he should put up more resistance on lesser issues.

Auto company employees are among the best-paid workers in Japan, but they are paid less than their counterparts in the United States, though international comparisons are flawed because in Japan part of overall compensation is in items not in the pay envelope, such as company housing and commuting allowances.

Sabotage Was Common

In the current negotiations, American auto executives say that the wages and benefits of an auto worker in the United States cost \$8 an hour more than in Japan. The average yearly wage and bonus payments to a Japanese auto worker last year amounted to \$16,500 at current exchange rates.

The early 1950s were years of economic turmoil in Japan. Labor-management disputes, which began in the late 1940s, were approaching a crisis. One form of industrial sabotage was common. Workers would stand at their posts, the assembly line would move, but the employees did nothing. By 1952, Mr. Shioji said, Nissan was losing two months' worth of production a year.

In 1953, the year Mr. Shioji joined the Nissan union, it demanded that starting salaries be doubled at a time the company was financially pinched.

A strike and lockout ensued, lasting more than four months. Mr. Shioji then led a ouster of activists who eventually took control of the 8,000-member union.

In 1954, facing financial losses, Nissan announced that it would have to get rid of 2,000 workers. The union decided that, as Mr. Shioji recalls, "We should create conditions so that the company would not have to take such drastic actions again."

Consultation Established

To further that goal, a labor-management consultation group was established within the company, which was to serve as a kind of early warning system to make sure both sides fully understood the company's problems.

In the course of early talks, Mr. Shioji made his wage-out-for-jobs proposal and management was receptive. "The attitude of the workers was to stand together," he said, "to each suffer somewhat to save the jobs of the 2,000."

A formal means of consultation between labor and management, in Mr. Shioji's view, is one of the two pillars of the Japanese labor system. The other is collective bargaining.

"The consultation system is to increase the pie, the fruit of the company," he explained. "Collective bargaining is for cutting up the pie for the good of the union members."

Not surprisingly, Mr. Shioji's advice to Western union leaders and corporate executives is to establish lines of regular consultation.

## Mutual Funds

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## Chicago Exchange Options

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## Stock Futures Issue in U.S.

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## Reagan Budget, Fed Policy Stuns Market

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Amnt	Security	%	Mat	Yield T/B	Yield Cur	Amnt	Security	Middle Price	Conv.	Conv.Pr a/31	Conv. Yield 3075	Amnt	Security	Middle Price	Conv.	Conv.Pr a/31	Conv. Yield 3075
(Continued from Page 8)																	
den 226	Morica Kommunebank	5/24	7/8	96 1/2	6.64	6.60	1/2	1.10				226	Teledyne Corp	1/2	100	100	226
den 227	Morica Kommunebank	5/24	7/8	96 1/2	6.64	6.60	1/2	1.10				227	Teledyne Corp	1/2	100	100	227
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den 308	Morica Kommunebank	5/24	7/8	96 1/2	6.64	6											

## CONVERTIBLE BONDS

[illegible][illegible]

### HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

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**ASK FOR IT EVERY DAY.  
EVERYWHERE YOU GO.**

**International Herald Tribune**  
We're not news for you.

## American Exchange Options

**For the Week Ending Feb. 12, 1982**

[illegible]

**Only the Geobankers have instant voice communication linking 7 foreign exchange cities-simultaneously.**



Speed is absolutely *vital* in getting you the most favorable rate available when you buy or sell foreign currency. That's why the Geobankers of Manufacturers Hanover have developed a unique communications system that outspeeds both the telephone and telex.

The system allows a seven-way conversation between New York, London, Paris, Frankfurt, Zurich, Brussels and Milan.

Now our foreign exchange trading professionals in all seven cities can tell each other *instantly*, at any given moment, the local asking and offering prices in any major currency. Not only that, but they can also flash up-to-the-minute news of local developments affecting their own currency.

**We save time. You save money.**

**Good news always travels fast.**

By passing your trading interest to all seven cities simultaneously, we are often able to get you a rate that's better in one place than the others—particularly on trades with broken maturity dates. When Frankfurt quotes a rate on marks, for instance, London may call out a better price—and New York may jump in with a better one still.

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**A global trading room  
to make every second count.**

No other foreign exchange bank has anything like the Manufacturers Hanover voice network. It's another example of what makes us a leading factor in currency transactions. In fact, our average daily trading volume has tripled in just two years.

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Put the total global commitment of Manufacturers Hanover to work for you. Contact a Geobanker today, and let us demonstrate our professionalism in foreign exchange.

The Geobanking traders in conference, clockwise from the top, are: D. van der Fraenen in Brussels; F. Wirtz in Frankfurt; R.A.W. Dukes in London; N. Buratti in Milan; J.P. de Laet in Paris; and N. Röhren in Zurich. Center: A. Agostini in New York.

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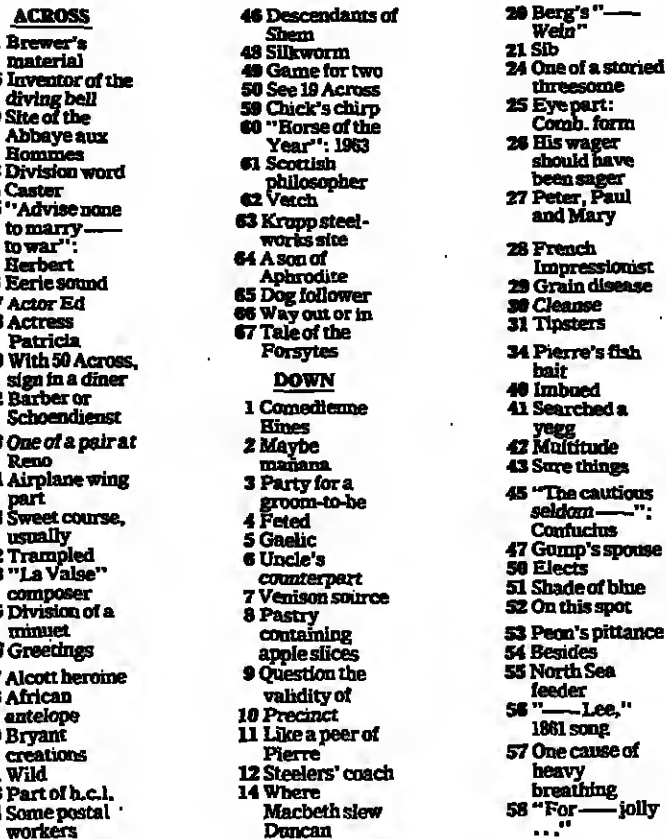
A total of over 100 Geobanking offices in more than 40 countries around the world.







**Edited by Eugene T. Maleska**



ALGARS	C	F	G	F	MADRID	C	F	G	F
ALGERIES	15	59	71	54	Overcast	10	58	3	Fair
ANTWERP	1	57	48	32	Cloudy	70	70	21	Fair
ATHENS	1	57	6	32	Rain	55	77	9	Fair
ATLANTA	2	36	4	21	Fair	40	78	48	Foggy
BANGKOK	1	32	44	21	Fair	40	78	48	Foggy
AUCKLAND	29	74	17	63	Foggy	1	51	13	Fair
BANGKOK	29	74	17	63	Foggy	1	51	13	Fair
BEIRUT	29	74	17	63	Foggy	1	51	13	Fair
BERLIN	8	46	8	32	Foggy	20	32	3	Foggy
BOSTON	8	46	8	32	Foggy	20	32	3	Foggy
BREKIDALE	3	57	5	23	Foggy	1	51	13	Fair
BURBANK	8	46	8	32	Foggy	20	32	3	Foggy
BUSAN	1	57	48	32	Cloudy	54	30	34	Fair
BUEENOS AIRES	23	73	77	63	Overcast	14	57	7	Fair
CAIRO	16	41	46	34	Fair	3	37	1	Fair
CAP TOWN	16	41	46	34	Fair	3	37	1	Fair
CASABLANCA	16	41	46	34	Fair	3	37	1	Fair
CHICAGO	2	36	4	21	Cloudy	40	78	48	Foggy
COPENHAGEN	1	57	48	32	Foggy	40	78	48	Foggy
COSTA RICA	1	57	48	32	Foggy	40	78	48	Foggy
COSTA RICA	1	57	48	32	Foggy	40	78	48	Foggy
DUBLIN	15	59	3	27	Overcast	52	35	21	Fair
DURHAM	15	59	3	27	Overcast	52	35	21	Fair
EDINBURGH	15	59	3	27	Overcast	52	35	21	Fair
FLORENCE	11	35	3	37	Showers	5	41	3	Fair
FORT MYERS	11	35	3	37	Showers	5	41	3	Fair
GUANGZHOU	11	35	3	37	Showers	5	41	3	Fair
HANKOW	11	35	3	37	Showers	5	41	3	Fair
HELVINKI	11	35	3	37	Showers	5	41	3	Fair
HONG KONG	11	35	3	37	Showers	5	41	3	Fair
HOUSTON	16	41	46	34	Cloudy	3	37	1	Fair
ISTANBUL	1	57	48	32	Cloudy	40	78	48	Foggy
JERUSALEM	1	57	48	32	Cloudy	40	78	48	Foggy
LAS PALMAS	21	59	15	59	Fair	1	51	13	Fair
LONDON	21	59	15	59	Fair	1	51	13	Fair
LONDON	21	59	15	59	Fair	1	51	13	Fair
LONDON	21	59	15	59	Fair	1	51	13	Fair
LOS ANGELES	20	68	12	54	Cloudy	9	47	2	Fair

A stylized graphic of a wine bottle. The bottle is dark with a white label. The label features the word 'WINE' in a large, bold, serif font. Below it, the phrase 'is you like it' is written in a smaller, cursive script. At the bottom of the label, the text 'by aw 11thaven' is visible. The bottle is shown from a slightly low angle, emphasizing its height.

**INTERNATIONAL**  
**Herald Tribune**  
Published with The New York Times and The Washington Post

Panel 1: Snoopy sits on his doghouse, holding a briefcase. He says, "HERE'S THE WORLD FAMOUS ATTORNEY ON HIS WAY TO THE COURT HOUSE..."

Panel 2: Woodstock stands next to Snoopy. Woodstock says, "FIAT JUSTITIA RUAT COELUM!"

Panel 3: Snoopy is now on the ground, looking up at Woodstock. Woodstock says, "LET JUSTICE BE DONE THOUGH THE HEAVENS FALL!"

Panel 4: Snoopy is back on his doghouse, looking thoughtful. He says, "THAT COULD RUIN MY WHOLE CASE"

S. Schulz

YOU KNOW SOMETHING, HONEY-LIFE'S TOO HECTIC.

PEOPLE OUGHT TO STOP ALL THIS FRANTIC RUSHING AROUND.

DON'T YOU AGREE?

I CAN'T ANSWER NE- I'M LATE FOR AN APPOINTMENT.

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YOU'LL LIKE IT WHEN WE GET TO THE TOP BEETLE. THE VIEW IS TERRIFIC

IT'S BOLD TO BE A IMPROVEMENT

2-15

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AN' OW'S THINGS AT OME, GLENDA?

EVERYTHING'S FINE NOW, FLO. MY TOM DOESN'T DRINK ANY MORE, Y'KNOW

EAR THAT, PET?

ER TOM DOESN'T DRINK ANY MORE

YES, PET

AN' FROM WHAT I'S IN THE RED LION?

IN OTHER NIGHTS I DOES DRINK ANY LESS EITHER, MISSUS'

DAVID COVERLY

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ALTHOUGH DISTURBED BY MURTHA'S ANSWER TO HIS QUESTION, KEITH IS UNABLE TO PURSUE THEIR DISCUSSION WHEN KENNY SUDDENLY RETURNS!

HEY, MOM -- YOU HAVEN'T EVEN BOILED THE WATER FOR THE HOT CHOCOLATE YET.

I'LL GET SOME WITH IT, SIR.

MY NAME'S DR. HOBBS. I'M SORRY BUT DR. HOBBS IS NOT HERE. DID YOU SAY YOUR NAME IS MRS. CO? MAY I HAVE THE DOCTOR RETURN YOUR CALL? IS IT URGENT?

I... I DON'T THINK SO. I JUST THINK I'VE DEVELOPED SOME PAIN IN MY CHEST--

BRADLEY HOBBS

## Impresso per A.T.O. - 1, boulevard Ney / 75018 Paris

Charles Champlin is on the staff of the Los Angeles Times.

Western Europe	1908-2108	2108-2308 Mon-Fri	Africa	2308-2308
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49 6160	19 15325	51 9390		
41 6160	16 17875	26 11775		
01 7155	13 22000			



# Spinks, Arguello Win TKOs

From Agency Dispatches  
ATLANTIC CITY, N.J. — Michael Spinks, who appeared to spend the first five rounds deciding how to end the misery for Mustafa Wassaja, finally chose the left hook from "my variety bag of punches" and stopped the outclassed challenger in the sixth round of their World Boxing Association light-heavyweight title bout Saturday night.

In Beaumont, Texas, Alexis Arguello used a powerful right to stagger challenger James "Bubba" Busceme in the sixth round Saturday night and went on to score a technical knockout in a successful defense of his World Boxing Council lightweight title.

Wassaja was "completely out on his feet," according to Referee Tony Petrucci, who stopped the bout at 1:36 of the sixth round. Spinks, who had been battering Wassaja easily, lashed a left hook to the head that drove the challenger into the ropes; Wassaja's left hand was down and his right hand gripped the top strand. In rapid succession, Spinks ripped four more left hooks to the head, the last two after Petrucci had begun screaming, "Stop it, stop it, please."

Wassaja was another in a long line of top-ranked WBA contenders who could not fight — Oh Yong Ho, Chong-Pai Park, Rudi Koomans, to mention a few recent examples. But as the No. 1 rated light-heavyweight, Wassaja was a mandatory opponent for the undefeated Spinks.

"He should go back to the Gold Coast," said Al Dore, the manager of Murray Sutherland, whom Spinks will fight next, on April 17.

"That guy wouldn't have given me a gym workout," said Eddie Mustafa Muhammad, the man from whom Spinks won the title last July and currently the WBA's No. 2 contender. "He was the crummiest fighter I've ever seen. Punch hard? He couldn't break a sweat."

None of the three judges gave Wassaja a round. Wassaja, however, had been unbeaten with 24 victories and a draw, and had never been knocked down. Technically, he still hasn't been knocked down, but the only skill he showed was his ability to take a punch. His offense consisted of several amateur-

ish lunges which left him wide open for counters.

A left-hander with an unusually square stance, he was an easy target for everything in Spinks' considerable arsenal, from the strong left jab to the powerful "Spinks Jinx" right. It is not often that a southpaw gets hit with so many lefts by a right-handed opponent.

The 25-year-old champion, who is hoping to challenge Mike Weaver for the WBA heavyweight title, fought patiently. But he said he knew, almost from the beginning, that "it was just a matter of rounds."

By the sixth, Spinks was concentrating on the head. He feinted a jab and landed a right-hand lead instead that stunned Wassaja. A few moments later, another right set up the hook that led to the merciful end.

After Wassaja collapsed, he was surrounded by doctors.

"How old are you?" they asked. "Twenty-eight."

"What city are you in?" "Atlantic City."

They didn't ask what he was doing there.

Dr. Jorgen Huusson, Wassaja's personal physician since the Ugandan moved to Denmark six years ago, said Wassaja was lucid to the dressing room. "He didn't say anything about Spinks," Huusson said. "But I think he will remember him the rest of his life."

In Texas, Arguello raised his record to 74-4 and ended matters the way he has finished most of his fights — with a monumental right that took the steam out of his opponent.

Midway through the sixth round of the scheduled 15-round fight, Arguello followed a thundering right with a flurry that left Busceme hanging on. Finally, Arguello landed another brutal right and a left that sent Busceme staggering toward a corner.

Knowing his man was beaten, Arguello pursued only at a moderate pace; referee Octavio Meiron declared the fight over at 2:35 of the round. Busceme's record dropped to 27-4.

Arguello, a Nicaraguan, first captured the WBC lightweight crown last June with a 15-round decision over Jim Watt. His current title is the third he has held in three different weight classes; he has defended his titles 19 times.



Michael Spinks finishing off Mustafa Wassaja in the sixth round of Saturday's WBA title fight.

## Decker-Tabb Sets 4:21.47 Indoor Mile Record at N.Y. Meet

By Frank Litsky  
New York Times Service

NEW YORK — There were nine starters in the women's mile at 75th anniversary Wanamaker Mile Games here Friday night, but only one counted. From the start, Mary Decker-Tabb said goodbye to the others and ran the fastest women's mile ever indoors.

At 14, Mary Decker is a track prodigy. At 23, she is running better than ever, with world indoor records at four distances. Although Friday's mile time was perhaps the strongest ever assembled in the United States, with Leann Warren, Francine Larrieu and Jan Merrill among others, it figured to be a one-woman race, and was.

Halfway through, Decker-Tabb led by 50 yards and the crowd was cheering. With four laps to go the crowd was on its feet, yelling and screaming.

With her long, effortless stride, Decker-Tabb ran by 65 yards, almost half a lap on the Garden of 160-yard banked board track. Warren finished second in 4:33.2.

"I just wasn't strong enough to run 4:20," said Decker-Tabb, who established the previous best time of 4:24.6 three weeks ago in Los Angeles. "I'm sorry because the crowd was great. I came here, and I want to do well because I want to make other people happy. They're offering something with their cheers and support."

Last year, in the men's 5,000, Nyambui beat Salazar in 13:20.4, a world indoor record. Salazar's time of 13:22.6 broke the U.S. indoor record.

Salazar, winner of the last two New York marathons, is a crowd favorite, and he had the gallery excited by leading most of the way. Padilla, a 25-year-old Brigham Young senior, took over with 4 1/2

laps remaining. He beat the fast-

breaking Nick Rose by 5 yards. Geoff Smith of Providence College was third, and Salazar finished fourth in 13:25.16. Nyambui, never a factor, was fifth in 13:29.02.

The record breaking started early. In the four straightaway finals, world indoor bests fell in the women's 60-yard hurdles and survived in two other races only by one- and two-hundredths of a second.

Young, a sophomore at Fairleigh Dickinson University, had a horrible start in the hurdles. But she caught up over the fifth and last hurdle and seemed to outlean Hightower at the tape.

Minutes after the race, meet officials announced that Young had won, although their time was the same. About an hour later, the officials said they had reread the photo from the automatic timer and declared the race a dead heat.

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Chesborough won the women's 60-yard dash in 6.61 seconds, a hundredth of a second slower than the fastest ever indoors. Nehemiah scored a 6-foot victory in the men's 60-yard high hurdles in 6.84 seconds, two-hundredths of a second slower than his indoor best.

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